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ETHNIC MINORITIES IN SPECIAL ECONOMIC ZONES: THE KAREN ON THAI-BURMESE BORDER

The soon-to-be established Mae Sot Special Economic Zone on the border of Thailand and Myanmar provides a troubling but potentially useful framework to study the issues of ethnic conflict management in the regions of active economic cooperation. The Mae Sot SEZ is a major project of Thai government that is an integral part of the larger projects of Asia Highway 1 and the ASEAN Economic Community. While this project has the potential to permanently change Thai-Burmese relations, neither Thai government, nor ASEAN has taken into consideration the long-standing conflict between the Burmese and the Karen, and how it can impact the development of this SEZ. Historical and contextual analysis shows that the Karen insurgents have always played a crucial role in Thai-Burmese relations, and have become a powerful interest group with the potential to influence, or even derail, future economic cooperation between Thailand and Myanmar.

Keywords: Special Economic Zone (SEZ); Thailand; ethnic conflict; ASEAN; Karen; insurgents; Myanmar.

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ЕТНІЧНІ МЕНШИНИ НА ТЕРИТОРІЇ СПЕЦІАЛЬНИХ ЕКОНОМІЧНИХ ЗОН: НА ПРИКЛАДІ КАРЕНОВ НА ТАЙСЬКО-М'ЯНМАНСЬКОМУ КОРДОНІ

У статті описано перспективи функціонування спеціальної економічної зони Має Сот на кордоні Таїланду та М'янми з урахуванням можливостей врегулювання етнічного конфлікту в регіоні. СЕЗ Має Сот – один з ключових проєктів уряду Таїланду, а також елемент більших регіональних проєктів – «Азія Шоссе 1» та Економічної співдружності АСЕАН. Доведено, що цей проєкт може значно змінити тайсько-м'янманські відносини, якщо Таїланд та АСЕАН візьмуть до уваги довготривалий конфлікт між каренами та бірманцями, а також його можливий вплив на становлення та розвиток СЕЗ. Історичний та контекстуальний аналіз демонструє, що бойовики карен відіграють значну роль в регіоні та мають відповідний потенціал, щоб посприяти подальшому економічному співробітництву Таїланду та М'янми або навпаки – перешкоджати його розвитку.

Ключові слова: спеціальна економічна зона (СЕЗ); Таїланд; етнічний конфлікт; АСЕАН; карени; бойовики; М'янма.

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ЭТНИЧЕСКИЕ МЕНЬШИНСТВА НА ТЕРРИТОРИИ СПЕЦИАЛЬНЫХ ЭКОНОМИЧЕСКИХ ЗОН: НА ПРИМЕРЕ КАРЕНОВ НА ТАЙСКО-МЬЯНМАНСКОЙ ГРАНИЦЕ

В статье описаны перспективы функционирования специальной экономической зоны Мае Сот на границе Таиланда и Мьянмы с учётом возможностей урегулирования этнического конфликта в регионе. СЭЗ Мае Сот – один из ключевых проектов правительства Таиланда, а также элемент больших региональных проектов – «Азия Шоссе 1» и Экономического сообщества АСЕАН. Доказано, что данный проект может значительно изменить тайско-мьянманские отношения, если Таиланд и АСЕАН примут в расчёт затяжной конфликт между каренами и бирманцами и его возможное влияние на установление и развитие СЭЗ. Исторический и контекстуальный анализ демонстрирует, что

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боевики карен играют значительную роль в регионе и имеют соответствующий потенциал как поспособствовать дальнейшему экономическому сотрудничеству Таиланд и Мьянмы, так и препятствовать ему.

Ключевые слова: специальная экономическая зона (СЕЗ); Таиланд; этнический конфликт; АСЕАН; карены; боевики; Мьянма.

Introduction. The success of the Mae Sot Special Economic Zone is critical to both the current Thai government and to the Association of Southeast Asian Nations (ASEAN), but it is in danger of being derailed by the inability to discuss the issue of the Karen on the Burmese side of the border. The Mae Sot SEZ is one of the major policy agendas of the current Thai government, and a small but critical piece of the larger, international projects of AH1 and the ASEAN Economic Community (AEC). ASEAN policies regarding non-intervention in domestic affairs prevent discussion of the ongoing Karen-Burmese conflict on the Burmese side of the border.

The Karen insurgency is one of the world's longest ongoing conflicts. Since 1949, the Burmese government has been involved in a protracted war with a succession of Karen insurgent groups, including the Karen National Union (KNU) and the Democratic Karen Buddhist Army (DKBA). While the Burmese government has made steady gains, they have failed in all the efforts to end the conflict by force, raising the possibility that compromise is the only remaining solution.

In addition, the Karen play a large role in the economic life at the border, and constitute a trans-border special interest group, involved in the transfer of goods both across the border and on the Burmese side. It is this interest group which the Karen insurgent groups represent, and having the support of the DKBA and KNU thus gives the Karen a considerable amount of power. As such, a peaceful and sustainable solution is needed urgently if the Mae Sot SEZ is to be a successful project.

The Mae Sot Special Economic Zone. In the last 50 years, the Mae Sot-Myawaddy border crossing has gone from a peripheral frontier to one of the major crossroads of Southeast Asia. It is the location where AH1, the proposed trans-Eurasian highway from Tokyo to Eastern Europe, passes from Thailand to Myanmar. Since 2013, Thai government has planned to turn Mae Sot into a special economic zone, a plan which will supposedly be implemented very soon. This, along with the AEC, which will theoretically allow for looser border control and closer economic cooperation across the ASEAN region, indicates that Thai government, and ASEAN as a whole, have big plans for Mae Sot. However, Thailand's inability, within ASEAN's framework of cooperation, to openly discuss the situation of the Karen on the Burmese side of the border, severely limits both Thailand's and ASEAN's ability to accomplish their goals in this small but important part of the region.

In early 2013, Thai government approved a plan to establish a special economic zone in Mae Sot. This SEZ would consist of an industrial estate, along with improved infrastructure and duty-free areas (Zwartz and Mort, 2013). The SEZ would employ Burmese workers, with Karen presumably making up much of the workforce due to demographic realities of the region (Oo, 2013). While this plan was approved under the administration of Yingluck Shinawatra, it was revived with vigor by Prayuth government, who have implemented an accelerated plan to create at least 4 more SEZs within 2 years, in a bid to revive the economy after the May 2014 coup d'etat that brought them to power (PRD, 2015). These plans for Mae Sot are inherently reliant

on the situation on Burmese side of the border. They will need a stable migrant workforce, as well as a stable economic situation in order to truly be effective.

The establishment of Mae Sot SEZ is one part of a larger trend towards regional economic cooperation which is codified as the ASEAN Economic Community. The AEC's year of implementation was 2015. At its most fundamental level, it aims to "transform ASEAN into a single market and production region, a region of equitable economic development, and a region fully integrated into the global economy" (ASEAN, 2008: 2) The "single market and production region" is listed first here, because in many ways, it is the most challenging, problematic, and potentially significant of the AEC's goals. The AEC blueprint subdivides the single market and production region into 5 core elements: free flow of goods, free flow of services, free flow of investments, freer flow of capital, and free flow of skilled labor (ASEAN, 2008: 6). This is the context in which Thai government is establishing the Mae Sot SEZ.

Domestic turmoil is not mentioned anywhere in the AEC blueprint. This is due to the ASEAN policy of non-intervention in domestic affairs, codified in the 1976 Treaty of Amity and Cooperation, and often referred to informally as the "ASEAN Way". The 1976 treaty, Article 2, establishes "non-interference in the internal affairs of one another" as one of fundamental principles of ASEAN (ASEAN, 1976). Thailand challenged this in late 1990s in response to massive refugees fleeing from Karen-Burmese conflict, but was rebuffed by ASEAN (Racha, 2005: 51–52). While the AEC blueprint makes accommodation for developmental differences between ASEAN countries (ASEAN, 2008: 5–6), in keeping with the 1976 treaty and the ASEAN Way, it makes no accommodation for differences in political stability. Given the impact of domestic turmoil on political and economic relations of Thailand and Myanmar in their non-integrated, pre-AEC situation, it is clear that domestic issues such as the Karen conflict will have to be addressed if the AEC is to succeed.

While Thailand and Myanmar clearly desire closer economic ties, the relations between these two countries, and their common ability to maintain border crossing, is not stable, and is subject to constant change. This is a direct result of the Karen conflict on Burmese side, and the inability of Burmese government to alleviate the conditions causing this conflict. With this in mind, it is increasingly apparent that there is a need for an open and honest dialogue between these two countries regarding the Karen, and that a peaceful solution to this conflict is necessary if these two countries want a future within successful AEC.

The Karen and Thai-Burmese Economic Cooperation. Karen insurgent groups are a perennial factor in Thai-Burmese relations, albeit it is rarely addressed. Their impact is both political and economic. Politically speaking, the presence of Karen refugee camps in Thailand and the tendency of the conflict to breach Thai border are irritants to Thai-Burmese relations. However, the greater impact may be economic. The presence of multiple strong and independent armed groups in the border region constitutes a deterrent to trade, and the significant role that the Karen play in the economic life of the border zone lends their organizations a significant amount of power.

Thai government has never been completely aloof from the Karen-Burmese conflict, and this has been a frequent source of political tension between the two countries. From Bo Mya's rise to power in the 1960s, the royalist and militarist Thai government harbored a great deal of sympathy towards the predominantly right-wing

KNU, and strengthened them to serve as a buffer between Thai and Burmese communists until the late 1980s (Smith, 1999: 299–300). This allowed Thai government focus on the growing crisis on its Indochinese frontier, but nonetheless greatly antagonized Burmese government (Lang, 2002: 141–142). In the late 1990s, following Myanmar's admission to ASEAN, Thai government, responding to rapidly growing flows of refugees into Thailand, proposed weakening ASEAN's policies against criticism of member states' domestic affairs (Racha, 2005: 51–52). However, while the Karen conflict has caused its share of diplomatic tensions between Thailand and Myanmar, these tensions have never truly jeopardized relations between these two countries.

More profound impact of the Karen conflict on Thai-Burmese relations has not been political, but economic one. Refugees from the Karen conflict play an important role in the economic life of the Thai-Burmese border region, particularly around Mae Sot-Myawaddy border crossing. The Karen are closely involved in the flow of goods from Thai border to Burmese heartland, with one scholar even named as "control the trade routes to Rangoon" (Racha, 2005: 65). Karen political groups are aware of this, and have obtained much of their success by co-opting the functions of government in the border regions. A Thai entrepreneur from the Mae Sot area who previously traded in teak from Eastern Karen state told the researcher that she always had to pay both the local Karen organizations and Burmese government in order to do business there. More recently, a journalist traveling AH1 to Kawkaik on Burmese side, 60 km from the border, described having to pay tolls to 3 separate Karen militias, including the KNU and DKBA, in addition to Burmese army, at 9 different checkpoints (Weng, 2015). In addition, being dependant on border trade for their survival, and having control of much of the region, Karen militias frequently turn to smuggling during the periods of border closure (Racha, 2005: 78). Karen political organizations and individuals are thus a major factor in the economic life of the frontier zone, even though mostly in rather in formal, shadow ways.

Conclusion. It is naive to assume that the Karen conflict will not play a role in future relations between Thailand and Myanmar. Any intensification of this still ongoing conflict will likely lead to more refugees, shut down the important route between Myawaddy and Yangon, and raise the possibility of the conflict spilling over Thai border. The status quo is equally untenable, as the KNU and DKBA, along with other Karen militias, end up complicating trade during times of economic cooperation, and keeping illicit trade flowing under border closure regime.

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