Trends in Southeast Asia
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Trends in Southeast Asia

ESTABLISHING CONTEMPORARY CHINESE LIFE IN MYANMAR

NICHOLAS FARRELLY AND STEPHANIE OLINGA-SHANNON
FOREWORD

The economic, political, strategic and cultural dynamism in Southeast Asia has gained added relevance in recent years with the spectacular rise of giant economies in East and South Asia. This has drawn greater attention to the region and to the enhanced role it now plays in international relations and global economics.

The sustained effort made by Southeast Asian nations since 1967 towards a peaceful and gradual integration of their economies has had indubitable success, and perhaps as a consequence of this, most of these countries are undergoing deep political and social changes domestically and are constructing innovative solutions to meet new international challenges. Big Power tensions continue to be played out in the neighbourhood despite the tradition of neutrality exercised by the Association of Southeast Asian Nations (ASEAN).

The *Trends in Southeast Asia* series acts as a platform for serious analyses by selected authors who are experts in their fields. It is aimed at encouraging policy makers and scholars to contemplate the diversity and dynamism of this exciting region.

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Establishing Contemporary Chinese Life in Myanmar

By Nicholas Farrelly and Stephanie Olinga-Shannon

EXECUTIVE SUMMARY

• From 1985 — when Western democracies sought to limit the range of links that their people had with Myanmar — the Chinese government adopted a proactive policy of engaging with Myanmar and encouraged its people to do the same.

• China has thus played a major role in Myanmar’s recent evolution, especially with respect to the number of its citizens and former citizens living in the country and working to transform its economy. A long, porous border unites Myanmar and China and serves as “back door” to both countries. It is through this land border that Myanmar and China face one another. This contrasts with western countries that have tended to view both China and Myanmar from the vantage of the sea.

• From state investment in billion dollar projects to the small shop owners in every village and town in northern Myanmar, the Chinese have entangled themselves in all levels of the Myanmar economy.

• Ethnic Chinese living in Myanmar are well aware that they are permanent outsiders in Myanmar society, even if their families have lived there for generations. The dichotomy persists between “Chinese” and “locals” and is reinforced through discriminatory laws, media and popular culture.

• The flexible cultural orientation of the Chinese in Myanmar has assisted their efforts to integrate with different Myanmar societies. Most of the new Chinese migrants who arrived from the 1980s have, over three decades, adapted to Myanmar cultures while maintaining elements of their “Chineseness”. The religious flexibility of the Chinese population further aids their integration and local tolerance of their presence in Myanmar.
• Most Chinese in Myanmar maintain strong economic, cultural and familial ties with China. They also maintain robust networks across the globe. It is not clear if these connections spread to the Chinese government. For the Chinese government, the local Chinese population is both an asset and a liability. This population can facilitate trade and support state-owned investment but, if the tide turns against the Chinese population, large Chinese investments may be painted in a negative light.

• The long-term situation of the Chinese in Myanmar remains profoundly unclear. Many of them appear to have determined that Myanmar will continue to be part of their plans, but that they are also seeking to remain mobile, able to seize new opportunities where they emerge. Among our Chinese informants a new level of cosmopolitan instincts, or perhaps more accurately Sinopolitan instincts, are apparent.

• At the moment, it is the ongoing transformation of Myanmar’s domestic political and economic conditions that matter most. For the country’s more than 2 million ethnically Chinese residents, the “transitional” period brings new risks and opportunities.
Establishing Contemporary Chinese Life in Myanmar

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INTRODUCTION

To understand Chinese life in Myanmar requires that its recent history be put in its appropriate political, geographical, cultural and economic context. Contrary to the assertions of some recent reflections on Myanmar’s role in Southeast Asia, and its relationship to China, this analysis draws from the continuity of ties apparent over the last three decades. It is this period, beginning around 1985, that has shaped a new generation of interaction between China and Myanmar which contrasts with the estrangement between Myanmar and so many other foreign cohorts during these years. While Western democracies sought to limit the range of links that their people had with Myanmar, the Chinese government adopted a proactive policy of engaging with Myanmar and encouraged its own people to do the same. This created a position of leadership for some Chinese in the Myanmar economy, and also gave

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1 This article stems from ISEAS’ ongoing study of how the rise of China affects ethnic Chinese communities and identities in Southeast Asia. Nicholas Farrelly is a Fellow in the Coral Bell School of Asia Pacific Affairs at the Australian National University, Canberra, and Director of the ANU Myanmar Research Centre. Stephanie Olinga-Shannon is the Research and Evaluation Officer at the Association for Services to Torture and Trauma Survivors, Perth, Australia.

2 This paper quarantines use of the name “Burma” to the period up to 1989 when it officially changed to Myanmar. While debates about the appropriate usage of these terms continue, we seek to offer an historically grounded appreciation for the country’s nomenclature. In recent years “Myanmar” has proved ascendant with its usage increasing even among those who are critical of the current “transitional” regime.
the Chinese government, whether in Yunnan or Beijing, a better chance to exert influence over the military rulers of Myanmar. Nonetheless it is important to adequately understand the limits of Chinese power-projection into Myanmar and the occasionally tense relations between the Chinese and other Myanmar residents. This history is particularly important given the changes that are re-shaping Myanmar and are leading to the relative diminution of Chinese influence. Elsewhere we have argued that any Chinese “stranglehold” on Myanmar has been loosened by more assertive Myanmar foreign policy efforts, and a deliberate Myanmar strategy of working to embrace a wider range of foreign partners (see Shannon and Farrelly 2013). Yet it is the ongoing transformation of Myanmar’s domestic political and economic conditions that matter most. For the country’s more than 2 million ethnically Chinese residents, the “transitional” period brings new risks and opportunities (Shannon and Farrelly 2014; Jones 2014).

To understand the responses to those risks and opportunities, this paper seeks to explain the establishment of contemporary Chinese life in Myanmar across the length-and-breadth of the country. We ask: how did the Chinese population become such an important part of Myanmar society and economy? The answers to this question matter because the relationship between China and Myanmar is one that will continue to determine economic and political outcomes for the foreseeable future. What we present here is an alternative history to the one that is usually written. Instead of judging the period from the 1980s to the general election of 2010 as one defined by the lack of Myanmar’s international connections we instead seek to present evidence that abundant connections emerged, just not of the type that many people have been looking for. It so happens that while some groups saw fit to ignore Myanmar, many Chinese rushed to join the country’s economic growth of the 1990s and 2000s. This set of changes was catalysed by Myanmar’s abandonment of the previous socialist economic model and the creation of space for pioneering resource extraction projects. While Myanmar remained a poor

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3 In 2008 the Chinese Embassy in Yangon estimated there to be 2.5 million Chinese living in Myanmar (Zhang 2008, p. 1).
country, pockets of great wealth were consolidated in areas of large-scale Chinese settlement, most notably in the Shan and Kachin States, but also in parts of urban Myanmar.

Therefore the idea that Myanmar was “closed” or “isolated” during the years from the 1988 crackdown on pro-democracy protestors until the general election of 2010 misses the many significant changes that occurred in Myanmar society during those years. Arguably the most important set of changes centred on the new migrations of Chinese to Myanmar, as many as 2 million may have made the journey. Their impact on Myanmar society has been felt in a number of different areas, most acutely in the economy but also in the creation of newly flexible spaces for the creation of identity, the re-imagination of culture and the public display of wealth. To the extent that the prevailing narrative of Myanmar’s disconnection from the world is true for these decades is a story merely for the Western democracies that imposed some level of sanction on the Myanmar government and its affiliates. The story of Myanmar’s interactions with its neighbours, including Thailand, Singapore and Malaysia, are not readily explained by those trends. China, even more strikingly, has played a major role in Myanmar’s recent evolution, especially with respect to the number of its citizens and former citizens living in the country. As a group, they require careful consideration during a period when ideas about citizenship and belonging remain heavily contested.4

To better explain this situation, our paper begins with a discussion of 1985 and 1988 as pivotal years in relations between Myanmar and China. This is followed by an analysis of Chinese life in Myanmar. The first of these sections explores the notion that China and Myanmar share a “back door”. This is followed, second, by an analysis of the interactions between Chinese and non-Chinese residents of the major population

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4 The most significant fault lines in Myanmar have emerged in recent years between Muslims and Buddhists. These are exacerbated by the assertion that some Muslims, including the politically sensitive category of Rohingya, are illegal immigrants. At this stage Buddhist consternation about Chinese migration has been relatively muted, but it retains the potential to spark communal tension and even violence.
centres where a Chinese presence is most telling. Third, we look closely at the place of the Chinese in Myanmar’s economy and the role of natural resources in motivating and shaping Chinese activities in Myanmar. The paper then seeks to interpret the different Chinese contributions in Myanmar with reference to the political and economic changes occurring in the country since the 2010 general election. In the conclusion we suggest that Myanmar and China face the need to create a relationship that serves all of the Myanmar people, including the significant ethnic Chinese population. Whether there is an appetite for that level of maturity and inclusion remains in doubt.

1985, 1988 AND ALL THAT

When scholars turn their attention to recent Myanmar history, they tend to fixate on the tumultuous events of 1988 (see McCarthy 2000; Guyot 1989). There is no question that it was a pivotal year in the country’s history, right up there with 1947 (Walton 2008), 1962 (Farrelly 2013, pp. 314–17) and 1974 (Taylor 1979). It was in 1988 that the Burma Socialist Programme Party was toppled in a messy period in which the military reasserted its full control of the institutions of government (Watcher 1989). The State Law and Order Restoration Council (SLORC), a military junta that inherited control from the socialist regime, was the immediate outcome of the turbulence. What followed was a further quarter century of heavy military involvement in political life (see Tonkin 2007). This period is best known for the battle between Aung San Suu Kyi’s National League for Democracy, and the entrenched military regime (Wintle 2007). Yet such stories of military rule and democratic resistance miss some of the other important trends of a period in Myanmar history that is not simply about elite political conflict.

From 1985, the relationship between Myanmar and the People’s Republic of China changed dramatically. Previously, China and Burma had a fraught set of connections (Holmes 1972; Lintner 1990). The socialist government in Yangon resented Chinese military and political support to the Communist Party of Burma. The communist insurrection had survived for decades, most coherently in the mountains of the Shan State where it enjoyed ready re-supply from Yunnan. These battles were
costly for the Burmese government and required a great expansion of the armed forces during the 1960s and 1970s. In the 1980s their combat losses peaked. Using official Burmese government figures, Yoshihiro Nakanishi (2013, p. 224) has estimated that for parts of that decade the Tatmadaw were losing almost 900 soldiers in combat deaths each year. The worst year was 1984 when over 1,300 government soldiers were killed, and more than 3,500 wounded. The battles also raged on ideological fronts (see Badgley and Aye Kyaw 2009). The socialist government’s military intelligence networks sought to undermine the support enjoyed by the communists around the country, but successes were often short-lived. The communist ideology remained attractive to those who deemed Burma’s socialist system a corrupt compromise with a range of vested interests, including the Western powers. Revolutionary sentiments remained close to the surface. But beginning in 1978, the Chinese implemented an increasingly pragmatic foreign policy agenda and in 1985 the Chinese Government ceased support to the Communist Party of Burma as they re-enforced their policy of non-interference (Steinberg and Fan 2012, p. 150; Maung Aung Myoe 2011, p. 183). By the time the socialist government collapsed in 1988 and the Communist Party of Burma dissolved, relations between the two countries had begun to improve and were soon to blossom (Maung Aung Myoe 2011, p. 184).

Such foreign relationship-building efforts formed part of China’s broader development strategy. Seeking to avoid the upheaval sweeping the Soviet Union and other communist states, Chinese authorities hoped to continue improving the economic conditions of their citizens to stave off the possibility of regime collapse (Nolan 1996). The Chinese government abandoned their policy of self-reliance and opened their borders to trade and investment a decade earlier than Myanmar (Naughton 1996). Myanmar faced an economic crisis in 1988 and then chose “state-led capitalism”, roughly based on the Chinese model, resulting in the liberalization of trade and the opening of international borders, and the encouragement of some foreign investment and private enterprise (Mya Than and Tan 1990). During this period, Chinese strategy sought to harness the economic capital of the ethnic Chinese living abroad, and to encourage more Chinese citizens to emigrate. By encouraging its citizens to leave, the Chinese government was aiming to ease the
domestic population burden and to receive foreign capital badly needed for economic growth through return investments. In 1986, for the first time in Chinese history, Chinese were allowed to leave China without government permission and without losing their Chinese citizenship (Nyiri, 2011). Chinese migrants were no longer considered traitors to the revolution, but patriots for Chinese development. Millions of new Chinese migrants, xinyimin (新移民), many of whom were educated and skilled entrepreneurs, left China to seek their fortunes abroad (Zhuang 2011, p. 12). The prospect of encouraging Chinese to migrate, even temporarily, to Myanmar had great appeal for Chinese authorities. The basic point is that such ties were predicated on mutual benefit. For China, the prospect of working to develop Myanmar’s lacklustre economy was especially enticing.

As the Sino-Myanmar borderlands became safer and more accessible, and ceasefire agreements with local militias became entrenched, these areas became an attractive route for would-be Chinese migrants. The borderlands had been fraught with banditry and armed conflict and, without decent roads, the terrain was barely passable. In 1988, Asia World, which is one of Myanmar’s largest companies founded by ethnic Chinese Kokang leader Lo Hsing Han, built a road that reduced the travel time by car between the border and Mandalay from several days to around twelve hours (Kudo 2006, p. 11). The collapse of the Communist Party of Burma in 1989 and subsequent ceasefires between local ethnic armies and the Myanmar government brought to the borderlands what was, by any historical standard, relative stability (Smith 1991). This stability and accessibility lay the foundation for increased trade, commercial activity and movement across the border. From 1988 the door to Myanmar for Chinese migrants had opened, both metaphorically and practically. The Chinese legal and physical barriers to emigration to Myanmar had lifted and money was to be made on the other side of the frontier.

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5 The Law of the People’s Republic of China on the Control of the Exit and Entry of Citizens was passed in 1985 and came into effect on 1 February 1986. It also became easier to get a passport to exit the country (Nyiri 2011, p. 145).
Although the Chinese could legally emigrate from China, they could not legally immigrate to Myanmar, yet with the aid of local ethnic Chinese, they were able to navigate such technicalities. Myanmar visas for Chinese citizens were restricted to thirty days but once inside, Chinese migrants could acquire fraudulent identity documents through brokers (Lintner 1998, p. 143). Border crossings in ethnic Chinese-dominated areas became popular with Chinese migrants. According to our Chinese informants in Myanmar, Qianlong Bridge in Kokang Special Autonomous Region, previously known as Shan State Special Region 1, was a particularly popular route. The Kokang are ethnic Han Chinese and even though their ancestors arrived in Myanmar in the eighteenth century, they speak a Yunnanese Mandarin dialect and continue to follow Chinese customs (Wang 2005, p. 72). As such, migrants from across China could communicate with Kokang brokers and disappear into Myanmar’s only Chinese “national race” with ease. Following a ceasefire agreement with the Myanmar government in 1989, the Kokang leaders enjoyed substantial autonomy, making it easier to evade arrest (Callahan 1998, p. 17). Further inside Myanmar, other border towns in the Shan State and Kachin State were obvious places to develop familiarity with the new country (see Toyota 2003). From there, Chinese migrants made their way to Lashio and Myitkyina, two major towns in the Shan and Kachin States, and eventually all the way to Mandalay and Yangon. The Chinese presence in Myanmar’s major cities and towns increased sharply at a time when the Myanmar government was looking for external support and investment (as described in Thant Myint-U 2012).

Simultaneously, the Myanmar population emerging from decades of socialist rule demanded the consumer goods that citizens in neighbouring countries had long enjoyed. China was already producing these products

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6 Lintner claims that when a Myanmar national died, their family could sell their identity card to a broker who would then sell it to a foreign citizen and simply replace the photo.

7 “National race” status is especially important in Myanmar as it confers special rights. Historically those who are excluded from this category, including the Rohingya, are vulnerable to state policies of discrimination and even deportation.
cheaply and in vast quantities for the European and American markets (Nyiri 2007, p. 139). Chinese entrepreneurs established themselves in Myanmar and began using their networks to facilitate the trade and sale of cheap consumer goods to eager Myanmar customers, just as they did in other countries (see Minakir 1996; Nyiri 2007, 2011; Chang and Rucker-Chang 2011). The Myanmar market was soon flooded with Chinese plates, textiles and tobacco (Kudo 2006, p. 9). During a period when Myanmar faced sanctions and boycotts from other major exporters, China and the Chinese border provided a lifeline and helped sustain Myanmar economically and materially.

The population movement that accompanied the economic enmeshment is significant for a number of other reasons. First, the number of Chinese living in Burma had dropped until 1983, due in part to the discrimination that the Chinese population suffered under General Ne Win’s socialist regime. Chinese were actively discouraged from settling in the country and those who had stayed were encouraged to Burmanize their dress, speech, names and lifestyles. The small Chinese population resident in Burma were targets for government suspicion, especially during periods of heightened concern about communist subversion, and there were few opportunities for the public performance of their latent Chineseness. Second, the integration of new Chinese migrants from the 1980s and through the 1990s changed the structure of the population in key places around the country. This demographic transformation is nowadays most apparent in Lashio in the Shan State where approximately 30-35 per cent of the population are ethnic Chinese. It also means that many border towns in northeastern and northern Myanmar, especially places like Mong La, Shweli, Muse and Laiza are now Chinese-dominated. Chinese language, currency and culture have changed the tone of day-to-day interactions in many places. Chinese influence has pushed well beyond the international frontier.

It is this influence that has made it difficult for Myanmar authorities to ignore the challenges presented by the large Chinese population. During

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8 In 1983 the census counted 234,000 Chinese (representing 0.6 per cent of the estimated total population) down from 350,000 in 1961 (1.6 per cent of the total population) (Mya Than 1997, p. 118).
the 2014 census, the identification and enumeration of Chinese was a further complication for a government seeking to count the country’s people for the first time in more than three decades (see Mathieson 2014). Whether the 2014 census will get close to adequately quantifying the Chinese population remains in doubt. Indeed the nature of ethnic classification in Myanmar, and the links made to various political projects, serve to further complicate such matters (Walton 2008). Many of the Chinese living in the country present a portfolio of identities both officially and in daily life. To be defined and counted as only one of the officially recognized “national races” has highlighted the deep ethnic stratification apparent in Myanmar. During field research, we were repeatedly told by Chinese that if they had more than one “race” listed on their identity card, as many Chinese do, they would use whichever classification would protect their “national race” status.

ANALYSIS OF CHINESE LIFE IN MYANMAR

To more fully explain the character of Chinese life in Myanmar the following sections look closely at three specific issues: the “back door”; Chinese roles in the Myanmar economy; and local cultural and political dynamics. The back door has shaped the nature of Chinese migration and trade between the two countries, while their role in the economy is often their reason for being in Myanmar in the first place. The economic success of the Chinese in Myanmar has shaped their relationship with the locals in a variety of ways.

I. The “Back Door” Border

A long, porous border unites Myanmar and China and serves as “back door” to both countries. It is through this land border that Myanmar and China face one another, as opposed to western countries that have

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9 Many Myanmar citizens have multiple ethnic identities listed on their identification documents. For a description of how this works in practice, see Farrelly (2014, p. 470).
tended to view both China and Myanmar from the vantage of the sea. European imperialists entered the two countries from a position of maritime strength; the English invaded Burma via the Ayeyarwady Delta in 1824, and European powers took advantage of “Treaty Ports” in China following the Opium Wars. Since then, trade and people going to and coming from Europe and North America have transited largely through ports and airports in cities in the east of China and the south of Myanmar. However, Chinese traders, migrants and would-be imperialists have, for millennia, entered the Ayeyarwady river basin overland: through the back door. Although at times restricted by law, conflict and terrain, this border provides an alternative and permanent portal through which migration and trade can flow. The Sino-Myanmar border is not the only “back door” for either country but it has proved influential on the socio-economic landscape of Myanmar and China’s southwest.

These Sino-Myanmar borderlands have not only provided illicit entry but fertile ground for illicit activities. The remoteness and treacherous terrain of the borderlands offer natural shelter for illicit activities. This area is infamous for opium and methamphetamine production, the smuggling of goods, resources and people, and tourist towns set up solely for the purposes of gambling and prostitution, such as Mong La in the eastern Shan State (see Chang 2013). The “wild frontier” for both countries was characterized by the limits of government power and control. Before 1989, the Communist Party of Burma (CPB) prevented the Burmese government from exerting control over much of their borderland territories. But following the collapse of the CPB, the resurgent ethnic armies negotiated ceasefire agreements through which they largely controlled the borderlands. With minimal interference from the central governments, ethnic leaders along the Myanmar-China frontier managed their territories to their advantage, allowing illicit

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10 The Chinese have traded with Myanmar kingdoms since at least 128 BC (Htin Aung 1967, p. 7).

11 The Myanmar-Thailand, China-North Korea, China-Laos and China-Vietnam borders also function as “back doors”: important for both trade and population movement in these regions.
activities and crossings. The back door became particularly important after western sanctions and boycotts blocked the sale of arms and goods to Myanmar, and the purchase of resources and goods from Myanmar. In the face of sanctions, western products including cars, weapons and even Coca-Cola, were sourced in China and smuggled across the border. Myanmar’s resources that struggled to gain market access under international economic sanctions could exit through the border to be sold as “Chinese”. As such, the Sino-Myanmar borderlands facilitated illegal activity but also, through illicit means, helped the Myanmar government and citizens subvert Western sanctions.

Over time, this back door to Myanmar has also served as an exit route for fleeing Chinese. Records show that even the last successor to the Ming throne, Prince Yong Li, fled overland to seek sanctuary in the kingdom of Ava in the 17th century in what is contemporary Myanmar (Seekins 1997, p. 527). The ancestors of the “Kokang”, Myanmar’s only ethnic Chinese “national race”, entered through the borderlands too. Then, during British colonization, most Chinese entered Myanmar via its ports, coming from Malaya or Singapore (Mya Than 1997, p. 117). However, some Yunnanese workers, or coolies as they were then known, crossed over to work in the mines and teak plantations of northern Burma. These migrants were known as “Mountain Chinese” as opposed to the “Maritime Chinese” who came by boat (Mya Than 1997, p. 117). When the Chinese nationalists (guomindang) were losing the civil war against the Chinese communists, their soldiers also retreated out the back door to Burma where some stayed. Some were killed during sanctioned Chinese incursions into Burmese territory in 1961, some travelled on to Thailand, and others made it to Taiwan (Seekins 1997, p. 528).

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12 For instance in 2006 during field research in northern Myanmar it was apparent that as deliveries of Thai-produced Coca-Cola became erratic, the Chinese traders seized an opportunity to sell their premium product. At that time local colas were available for around 200 kyat per bottle, while Coca-Cola was often sold for 1500 kyat, which was more than US$1 at the prevailing exchange rate. Similar dynamics emerged in the markets for vehicles and appliances, where Chinese goods came to dominate the market during the 2000s.
In the twentieth century, attracted by the opportunities in Burma and fleeing their own civil wars, and also poverty, famine, land seizes and nationalizations in China, Chinese refugees and migrants crossed the border into Burma in large numbers. The population of Chinese increased from 193,000 in the 1931 census to 300,000 Chinese by the 1953 census (Mya Than 1997, p. 118). Chinese came from Yunnan and beyond to seek their fortunes and enjoy what was considered to be “the Golden Age” for Chinese in Burma (Fan 2003, p. 48; Lin 1998, p. 54). This period drew to an end in 1962 with General Ne Win’s coup, subsequent nationalizations of private enterprise, the Burmanization campaign and finally the anti-Chinese riots of 1967. In these years, most Chinese in Burma moved on, with popular choices being Hong Kong and Macau. Despite this, Chinese continued to flee to Burma, escaping persecution by the Communist regime.

Today the back door provides opportunities for both the Chinese and Myanmar governments. For China, Myanmar presents an alternative route to overcome the potential choke point in the Straits of Malacca and improve economic and social conditions in southwest China (Li and Lye 2009, p. 258). To diminish their reliance on the congested waterways between Indonesia, Malaysia and Singapore, through which China receives goods and resources from Europe, the Middle East and Africa, the Chinese built a port at Kyaukpyu off the coast of Rakhine State in Myanmar to receive oil from the Middle East and Africa. They also constructed a pipeline across the length of Myanmar to transport oil and gas to Yunnan. Not only does this cut 3,000 kilometres from the sea journey but also provides an alternative route should the Straits of Malacca ever become unpassable (Kim Shee 2002, p. 36). These investments offer other advantages. Yunnan has lagged behind the eastern Chinese provinces in economic development, in part due to the distance from the Chinese coast and the ease with which its ports facilitate

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13 Following the 1967 riots, 40,000 to 50,000 Chinese, both Myanmar and PRC citizens, fled to refugee camps in Macau, where many settled and formed what became known as “little Myanmar” in Macau (Yi 2001).
mass exports. Myanmar’s coastline is closer to Yunnan than China’s and transport links through the back door via road or pipeline provide Yunnan with greater access to the markets of Europe, the Middle East and Africa. Trade between Yunnan and Myanmar amounted to US$4.173 billion in 2013, which represented an increase of 86 per cent on the 2012 figure (Su Phyo Win 2014). These figures show the importance of the border for Yunnan’s economy and the opportunities that may emerge as infrastructure improves and hindrances to trade decrease. For Myanmar, a back door to China gives the country immediate access to the biggest market in the world. Natural resources including timber, jade, gas and hydroelectricity are easily transportable across the border albeit often illegally without the relevant taxes, duties and tariffs being paid. In the appropriate seasons, Myanmar fruit trucks dominate the roads heading towards the border, bound for China where Myanmar has a reputation for producing quality fruit. As both countries continue to develop, the border they share provides accessibility and opportunity.

II. Chinese Roles in the Myanmar Economy

From state investment in billion dollar projects to the small shop owners in every village and town in northern Myanmar, the Chinese have entangled themselves in all levels of the Myanmar economy. For China, the enticements of Myanmar focus on its resources, especially the abundant mineral and timber wealth that has been available for extractive industry projects in recent decades. China’s voracious appetite for such products has ensured that Chinese investors have worked to position themselves as key partners in major projects. These projects include off-shore oil and gas developments, major jade, gold and sapphire mining expansions, hydro-electricity projects and the construction of related infrastructure in many parts of the country. Even Naypyitaw, Myanmar’s capital since 2005, has benefited from injections of Chinese technical knowledge and engineering capacity. There are few parts of the Myanmar economy that have not received significant attention from across the border. This was especially apparent during the heavy fighting in northern Myanmar between the Kachin Independence Army and Myanmar government forces from June 2011 to May 2013. The Chinese
The Myanmar Chinese Chamber of Commerce described the SLORC’s economic reforms as “blowing spring breeze on the ethnic Chinese business community” (Myanmar Chinese Chamber of Commerce 2011). After three decades of socialist economic policy, there were limited entrepreneurial skills among Myanmar’s population. From 1988 Chinese entrepreneurs, both new migrants and established residents filled Myanmar’s vacuum and supplied goods and capital as the country embraced state-led capitalism. The new migrants who entered Myanmar were mostly skilled and educated, often former government employees keen to establish their own businesses (Nyíri 2011, p. 146). They entered a Myanmar in political and economic chaos, with limited rule of law and could only succeed by taking huge risks that few others would bear. It is bewildering that as thousands of Myanmar refugees were fleeing the
country (see Farrelly 2012), thousands of Chinese were entering, seeing Myanmar as a land of opportunity. Yet Chinese migration into post-socialist disarray is not unique to Myanmar. At the same time, Chinese migrants were entering the former Soviet Union (see Minakir 1996; Nyiri 2007). In reward for their risk taking, Chinese entrepreneurs were able to establish themselves in Myanmar’s economy during the subsequent twenty-two years of military rule and are now poised to take advantage of the current economic transformation.

As Myanmar people become wealthier, consumer tastes evolve, particularly since the transition to democracy began. Now in addition to basic consumer goods such as plates and fabric, Chinese traders are selling what were once considered luxury items such as whitegoods, electronics and beauty products (see Shannon and Farrelly 2014). These products are sourced from China and other Asian nations including Korea and Japan, depending on customer preferences and levels of disposable income. So as Myanmar society changes, Chinese have been quick to respond to customer demand. Fashion, for example, has rapidly changed in the last few years. Young women, in particular, are choosing to wear shorter skirts and tighter tops than the traditional longyis and tailored shirts. Chinese are now importing mass quantities of cheap Chinese-made clothing in the latest fashion styles to satisfy this consumer demand. Since 1988, Chinese entrepreneurs have had enormous commercial success with some rising to become extremely wealthy, something that has not gone unnoticed by the local Myanmar population.

III. Local-Chinese Dynamic

Ethnic Chinese living in Myanmar are well aware that they are permanent outsiders in Myanmar society, even if their families have lived there for generations. The dichotomy between “Chinese” and “locals”, the rhetoric of “us” and “them”, persists and is reinforced through discriminatory laws, media and popular culture. Min Zin’s 2012 study of Myanmar

14 Korean and Japanese beauty products, for example, dominate the market, supported by the popularity of K-Pop and Korean television dramas.
media relating to “Chinese”, even under SLORC censorship, supports this sentiment. He argues that all things “Chinese” are merged and then treated with indirect disdain through popular media, poetry and literature. One Myanmar-born Chinese businessman explained to us that even though his identity card recorded his race as Shan, his face “betrays him” and he is treated as Chinese. While a second-generation Myanmar-Chinese businesswoman reported that although she speaks Burmese fluently, follows Myanmar customs and Theravada Buddhism, her slight accent gives her away as “different or foreign” in her own country. Chinese in Myanmar face discrimination as they interact with state institutions and in daily life. As an example, one of our informants explained that upon being interviewed for a scholarship the interviewers saw her face, asked her what race she was, and upon hearing her response told her she could leave because they would not give a scholarship to a Chinese student. Members of the Chinese community living in Myanmar insist that they can “only rely on themselves”. Despite their experiences of state-sanctioned racism, the Chinese remain better placed than the country’s Rohingya and Muslim populations.

The relationship between the Chinese population and the other ethnic groups in Myanmar remains uneasy but they do not experience the same hatred and vitriol that is directed towards the Muslim population, especially the Rohingya. This is perhaps because the Chinese are careful to appease other ethnic and linguistic groups, and have worked hard to assimilate to certain local expectations. Chinese business people partake in public acts to placate the local population and maintain positive relations. Such acts include hiring wait staff and sales people from the local Myanmar ethnic groups to demonstrate they support local employment. At the same time, the prevailing image of ethnic Shan or Bamar toiling front of house while Chinese owners sit comfortably counting the money can be counterproductive.

Another common effort is to support Buddhist causes and institutions. Almost all Chinese shops, homes and restaurants in Myanmar have their own Buddhist shrines, whether they are denominated as Theravada or Mahayana, prominently displayed for customers to see. Even the Confucius Institutes in Mandalay and Yangon, often claimed to be bastions of Chinese soft power, display large, imposing Theravada
Buddhist shrines in their entranceways. One successful Mandalay businessman explained to us that he purposefully donates a large sum of money to a local Theravada temple every week to show that he is supporting Theravada Buddhism. These acts not only demonstrate support for Myanmar values, traditions and religions, but also demonstrate that the Chinese presence and activities are not threatening to other groups.

The dynamic between other populations in Myanmar and the Chinese is further complicated by the transactional nature of their relationships. Chinese businesses supply the Myanmar people with the products they desire. At times these businesses have been the only suppliers available. Now as the market expands, business owners are able to capitalize but there is also more room for non-Chinese entrepreneurs. Myanmar people often complain, particularly in Mandalay, that the Chinese have inundated the city, including the desirable downtown area. However, customers continue to frequent Chinese shops, restaurants and hotels. The Chinese, as yet, have not faced the same boycotts as Muslim businesspeople. If such boycotts took hold in northern Myanmar, there would be few market stalls, shops and restaurants that would not be impacted. Chinese traders may be able to adapt and continue to thrive. One ethnic Chinese importer explained that when customers requested a fertilizer not to be sourced from China, the company simply sourced it through their networks from another Southeast Asian country. Although the source country was effectively boycotted, the company was not. But smallholder restaurants and shops would be badly affected. The dynamic between the Chinese and the local Myanmar population remains a delicate balance of appeasement and tolerance.

INTERPRETING CHINESE LIFE IN MYANMAR

Analysis of the Chinese in Myanmar requires a long-term historical perspective and an awareness that the interactions between China and Myanmar have changed radically over time. The period since 1985 that has seen the two countries harmonize some of their interests has preoccupied our analysis in this paper. Yet the implications of the growing number of Chinese living in Myanmar have yet to be fully appreciated.
In putting this population in context we seek to present a number of areas where future analysis could be profitably undertaken. First, the flexible cultural orientation of the Chinese in Myanmar has assisted their efforts to integrate with different Myanmar societies. In the 1960s, Myanmar’s Chinese population was forcibly assimilated through General Ne Win’s Burmanization policies. Under these policies, the “three pillars” of Chinese society abroad were banned; Chinese medium schools, Chinese language newspapers and Chinese voluntary organizations. Chinese were also forced to adopt Burmese names (Tong 2010, p. 153). Following the 1967 anti-Chinese riots, Chinese further integrated themselves in Myanmar society for fear of persecution. They comprehensively adopted Burmese names, Burmese dress and when asked, claimed to be Shan or other “national races” (Fan 2012, p. 242). They were forced to pledge allegiance to the Burmese state and renounce their Chinese citizenship (The Guardian 1967). Many of the Chinese who stayed after the riots were too afraid to speak Chinese even in their own homes, for fear of attack, and as a result several generations of Chinese grew up without Chinese language skills (Fan 2012, p. 242). It was the SLORC military junta that gave the Chinese more freedoms. From 1988 onwards the “three pillars” of Chinese society abroad were allowed to re-emerge as Chinese newspapers began printing, private Chinese medium schools were established before and after school and on weekends, and organizations such as the Myanmar-Chinese Chamber of Commerce began to play a crucial role in the economy (Fang 2001 p. 13; Myanmar Chamber of Commerce 2011). For the Myanmar government, a Chinese population connected to the broader Chinese diaspora was an asset that aided the flow of goods and foreign capital into the struggling Myanmar economy. Since then many Chinese have developed and maintained linguistic and cultural fluency in both Chinese and Myanmar.

15 Lin estimates that more than 200 Chinese medium schools were nationalized under Ne Win’s Burmanization policies (2003, p. 71). Private Chinese schools and later home-based tutorials were suppressed in 1967 (2003, p. 71). The previously booming Chinese language press was shut down in 1966 (Fang, 2001: 14). After the 1967 riots, Chinese voluntary organisations continued to function but kept a very low profile (Fan 2012, p. 243).
Most of the new Chinese migrants who came after 1988 have, in the past two and a half decades, adapted to Myanmar cultures while maintaining their “Chineseness”. During the research for this paper, all the Chinese we interviewed spoke Burmese or the local Shan or Kachin language depending on their location, though several did not read and write well. One businesswoman explained that for Chinese business to thrive, they needed to learn the local language to trade and communicate with their customers and local officials. New migrants have also adopted Burmese names, frequently spelled out on bilingual Chinese-Burmese business cards. These business cards represent the dual identities Chinese carry and employ to their advantage. One Chinese businesswoman who speaks four languages explained that she spoke “whatever language would get her the best deal”. The new Chinese migrants, like their predecessors, send their children to Burmese schools and private Chinese language schools in the evenings and on weekends. The Chinese have also found a way they can get around government education restrictions by sending their children to “Kokang” schools.\(^\text{16}\) Using multilingual skills and understanding of both Chinese and Myanmar culture, the Chinese are able to adapt and work across cultures, an advantage for both business and political relations.

The religious flexibility of the Chinese population further aids their integration and local tolerance of their presence in Myanmar. Most Chinese in Myanmar identify themselves as Buddhist with a smaller number identifying as Christian, and even fewer as Muslim.\(^\text{17}\) Official data does not distinguish between Theravada and Mahayana Buddhists so it is unclear the proportion of Chinese who follow each branch of Buddhism.

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\(^\text{16}\) Government restrictions allow for bilingual schools to teach Burmese in the morning, and in a ‘national race’ language in the afternoon. On a visit to one such “Kokang” school we discovered that the school was teaching Mandarin using textbooks from mainland China, with ethnic Chinese teachers.

\(^\text{17}\) In the 1983 census 192,000 Chinese people in Burma identified as Buddhist, while 5,000 identified as Christian, 3,000 as Muslim and 33,000 as “other” (Lin 2002, p. 32). The Muslim-Chinese population is known as ethnic hui (回) who fled to Myanmar from persecution in China. However, little is known about the hui in Myanmar.
Buddhism. Chinese migrants after 1988 came from a China where religion was suppressed so the majority did not bring a religion with them. One shopkeeper explained “I am in Myanmar, so I am Buddhist”. Even if Chinese follow Mahayana Buddhism, they often partake in Theravada rituals. On one occasion, we accompanied members of the established Chinese community in Lashio to a ninetieth birthday celebration. The celebration was held in a Theravada temple, guests wore their best *longvis* and all the food was local Shan or Burmese fare. On another occasion, we accompanied the same family to a Mahayana temple where members prayed and lit incense. This shows the flexible approach to religion that some Chinese take. Some of the Mahayana temples we visited even had separate rooms for Theravada Buddhist shrines. In areas dominated by Christians, Chinese have also converted to Christianity. In Kutkai, for example, the first town on the Burmese side of the border in northern Shan State, we attended a Baptist Kachin Church service and then a Chinese Church service presided over by the same minister but in two different languages. The flexible religious practices of the Chinese population have helped them integrate into Burmese society but also made them less threatening towards Burmese values and “way of life”. A further example is the commonality of intermarriage between Chinese and Myanmar’s “national races”. While marriage between Muslims and other Myanmar “national races” is often feared, intermarriage with Chinese, is apparently much less frowned upon, perhaps because the offspring of these unions will largely be Buddhist, and raised with Buddhist values and traditions.\(^\text{18}\) Sharing common Buddhist values has helped appease the Chinese and, we argue, explains why the Chinese face less anger and vitriol than Muslims.

Second, the Chinese in Myanmar maintain strong economic, cultural and familial ties with China. Chinese living on the Myanmar side of the border frequently cross into China to buy and sell goods. From small shop owners procuring pirated DVDs and clothes, to bigger importers

\(^{18}\) More crudely, several Chinese explained that marriages with Muslims produced “darker skinned” babies, while marriages between Chinese in Myanmar produce “lighter skinned”, and thus more desirable, offspring.
sourcing cars, motorbikes and machinery, the availability of cheap stock on the Chinese side that can be sold for profit on the Myanmar side, ensures continuous flows of traders. Family businesses often span the border with relatives living on both sides facilitating the ease of buying and selling. For many Chinese living in border towns, the existence of the border is largely irrelevant, with multiple crossings per day even just for a tasty lunch or dinner on the other side. Chinese citizens do not require visas to enter Myanmar, and vice versa, so long as they stay within a designated border zone. They also do not need passports to cross, they can use “Border Passes” which are easier and cheaper to acquire than passports. Chinese living in Myanmar also report they like to cross over to Yunnan or further to Shanghai or Beijing for xiuxi (休息), “to rest”. Trips to the motherland incorporating shopping, karaoke and sightseeing are popular with Myanmar’s Chinese. As China develops, it becomes a more attractive leisure destination. Several Chinese informants living in the border town of Muse complained about how “dirty” Myanmar is and they enjoyed going over to the “clean” Chinese side. This is reinforced by the multitude of Chinese-run hairdressing salons, beauty parlours and car washes that fill the main street of Muse leading up to the border. On departure from Myanmar, Chinese can clean and refresh themselves. Chinese living in Myanmar maintain strong economic, family and cultural ties with China, ensuring they remain connected to the country.

The Chinese in Myanmar also maintain networks across the globe. Similar to Nyiri’s findings in Cambodia (see Nyiri 2011), the Chinese in Myanmar are internationally mobile and connected. The widespread Myanmar-Chinese diaspora continue to remain a cohesive group with reports of Myanmar-Chinese gathering in places as far afield as San Francisco posted on the Myanmar Chinese blogs. New migrants who came after 1988 have also moved on to third countries using Myanmar passports with which it is easier to apply for visas in western countries.


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The adult children of many of the Chinese we met were working or studying abroad, including the United States and Singapore. Through these networks, Chinese in Myanmar explained that they aim to advance their commercial interests and standard of living.

It is not clear if these connections spread to the Chinese government. For the Chinese government the local Chinese population is both an asset and a liability. The Chinese population can facilitate trade and support state-owned investment but, if the tide turns against the Chinese population, Chinese investment may be tainted with the same brush. It can be difficult to untangle the activities of the Chinese state in Myanmar and that of private Chinese citizens living and working in the country. With China, and particularly the Yunnan provincial government, investing heavily in resource and infrastructure projects in Myanmar, they are cautious not to jeopardize their agenda. Furthermore, if the Chinese are targeted, there may be domestic pressure to support the ethnic Chinese in Myanmar with military force, even if it is against Chinese economic and strategic interests. This occurred when the Myanmar government targeted Kokang military leaders in 2008. One Chinese citizen was killed and 37,000 people fled across the border to the houses of family and friends, hotels and refugee camps on the Chinese side of the border (Bodeen 2009). The Chinese government’s efficient handling of the humanitarian crisis demonstrated their preparedness for such a situation even though they reportedly learned about the attack on television. Support within China quickly built for Chinese intervention to protect its citizens and ethnic Chinese (Thompson 2009, p. 12). The government resisted but increased their presence in negotiations between the Myanmar government and the ethnic armies on its borders. Yet this “China factor”, the potential that the Chinese could invade to protect the local ethnic Chinese population remains.

WHAT NEXT?

For now, Myanmar is increasingly comfortable with the further and formal integration of Chinese populations, although tensions remain. The extent to which it can integrate foreigners into its categories of citizenship remains unclear (see Holliday 2014). Under the current residency
arrangement, some Chinese have full citizenship, some have associate citizenship while others continue to live with only “Foreign Registered Citizen” (FRC) status. FRCs are restricted in their movements and their position is tenuous even though some have lived in Myanmar for generations. The current processing time for FRCs to acquire “Associate Citizenship” is reportedly around seven years. Associate Citizenship entitles bearers to a Myanmar passport but restricts them from voting and standing for election. They may also have their citizenship revoked if they commit an array of offences. Chinese who left China prior to 1986 essentially renounced their citizenship on their departure. If they have not yet been able to acquire associate Myanmar citizenship, they remain stateless. This presents practical challenges and leaves them vulnerable to changing political prerogatives. The imperative for citizenship and residency reform is significant for these people.

The long-term situation of the Chinese in Myanmar remains profoundly unclear. Many appear to have determined that Myanmar will continue to be part of their plans, but that they are seeking to remain mobile, able to seize new opportunities where they emerge. Among our Chinese informants, a new level of cosmopolitan instincts, or perhaps more accurately Sinopolitan instincts, are apparent. Such instincts take advantage of the long history of Chinese settlement in Myanmar and the distinctive application of commercial nous to a constantly changing political and economic situation. Chinese in Myanmar enjoy robust links to the rest of the Chinese world, including elsewhere in Southeast Asia. They are increasingly funnelled through Singapore, Thailand and Hong Kong, on their way to seizing opportunities in the rest of the world. Many receive education outside Myanmar’s borders and then hope to use their local connections and global interests to build productive careers. It is, we are told, an exciting time to be young and Chinese in Myanmar.

Yet this optimistic tone is not the only aspect of local political life that deserves attention. The Chinese fit uneasily into Myanmar’s official categories of national belonging and their Sinopolitan instincts are a potential vulnerability in this regard. With the exception of the Kokang Chinese in northeastern Shan State, who have “national race” status in Myanmar, there is no obvious and legal pathway for regularizing Chinese identity in the country. The Chinese are not considered indigenous to
Myanmar, and this is a potential obstacle to their long-term success in Myanmar society. The challenges for Myanmar’s Muslim population, and particularly those who identify as Rohingya, reinforce the need for careful awareness when it comes to the character of belonging in what is supposed to be a determinedly multi-ethnic system. For those Chinese who still feel a strong pull towards those areas of Asia where their Sinopolitanism is an advantage, the door will remain open to future changes of direction. The Chinese in Myanmar have flourished because they have been prepared to move and adapt. Their future success may well require such flexibility and continued adjustment.

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ESTABLISHING CONTEMPORARY CHINESE LIFE IN MYANMAR

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