

CHAPTER II

THE INITIAL CONDITION OF MYANMAR STATE BEFORE THE CONSTRUCTION OF SHWE PIPELINE IN 2004

Myanmar is one of the developing countries that located in Southeast Asia which form the Republic of Myanmar and also called Burma, and Burma called by the western country. This country with the land area around 680.000 km² has been lead by the military government since the coup d'etat in 1988. The capital city was previously located in Yangon, but as moved to Naypyidaw on the 7th of November 2005. This country has many populations around 50 million people divided into 135 ethnic groups. The high of diversity in Myanmar has put them in the face of various issues, including minority issues. Minority issues must be borne by Myanmar since the pre-independence era until now. In 1988, there was a big wave of protests against the junta's military government. This wave of demonstrations ended in violent acts by soldiers against demonstrators and more than 3000 people were killed. After the coup d'etat, almost all important positions in the government are occupied by the military. This, of course, has implications for various aspects of life in Myanmar as it is said all matters are determined by the state and the people must follow what has been decided by the highest leader in the country. For example, this has an effect on the economic and social conditions in Myanmar.

A. The Condition of Myanmar Economic

Myanmar is an agricultural country with its main agricultural product being rice. Other agricultural produce is tea, produced in Plato Shan, northern tobacco, sugar cane in the Sittang River valley, and vegetables in the Arakan Yoma Coast area. The dry areas produce wheat, corn, cotton, and sesame. The results of plantations such as a Banana, mango, guava, orange, mangrove wood rubber, teak wood.

Petroleum fields in Chaok and Yenangyaong are tungsten, antimony, mercury, coal, silver, manganese, and natural gas in Chaok. Myanmar is rich in natural products, agriculture, plantations, and forestry. Therefore, the developing industry is a natural product processing industry. Various types of industries in Myanmar are the mining industry, fish processing industry, cement, textiles, and handicrafts (Ayu, 2014).

Myanmar economy is based on agriculture and functions mainly on cash and barter systems. The main industries are controlled by the military run by state enterprises. Every aspect of economic life is absorbed by the black market, where price reactions have skyrocketed against official price controls since 1989. SPDC (State Peace and Development Council) open market economy policy has brought a flood of foreign investment in oil and gas.

In 1962, the government is taken over by Ne win called *Pyadawcha era*. Inside this era, there are several program and designs that established to realize the overall equality of society within the state. Such as, the program of *The Burmese way To Socialism* on 30 April 1962 which has an understanding of Marxism. This basis is the result of Marxist socialist interpretation in the of context traditional Myanmar. This foundation has linked the three concepts of modern life of Myanmar, namely nationalization, socialization, and Buddhism. The purpose of this program is:

1. Economic Reform
2. Limitations of foreign influence from various dimensions of both economic political and social
3. Changes in the value and behavior of the people, so that the new leadership can cause the revolution
4. The multi-ethnic unification of Burmese human beings into one nation.

The implementation of this program became the center of people's awakening to gain democracy. In 1988, a black event had prevailed in which the Myanmar junta had acted cruelly against the people. While in the economy, the first policy was

to nationalize the industry widely through the National Company Law Nationalization passed in February 1963. All banks (10 national, 14 foreigners) were immediately taken over, then teak, tobacco, rubber, and various mining and private businesses prohibited from operating. Foreign mining their operating licenses are not continued. In the end, the national oil company was taken over. Although Myanmar is among the richest countries in terms of natural resources in Southeast Asia, due to the improper implementation of socialism has led to a poor economic (Aini Fatihah R, 2015).

Table 2 1 Myanmar Economic Achievement 1962-1988

Year	The Growth of KNDK	US\$ million	
		Export	Import
1962-1965	4.9	248.3	222.8
1966-1969	2.2	138.1	157.8
1970-1973	7.8	128.7	187.4
1974-1977	4.7	185.5	250.5
1978-1981	6.5	399.2	719.6
1982-1985	4.7	368.2	687.2
1986-1987	-1.1	351.2	549.9
1987-1988	-4.0	257.7	623.9

Source: Journal of Social and Political Science Hasanuddin University by Aini Fatihah

The table above shows Myanmar's economic achievements from 1962 to 1988 showed the little improvement even though the country has made various changes in its economic base. For example, continuing a national basis causes deficiencies in user goods, fire materials, raw materials and tool locks and forcing a half refinery to close or operate under a large capacity. This situation urges users to buy goods on the black market. Clearly, even though user spending has decreased, but demand for the goods has increased. In addition, the absence of basic necessities has also led to the development of the dark market. The case clearly demonstrates the system of public expenditure in a highly unreasonable nominal economy, in which most essential goods go on sale in the dark market to

users. It has been proven the Growth Rate in Crude Countries (KDNK) has decreased from 7.8 in the first year of 1970-1973 to -1.1 in 1986-1988.

In the middle of 1990, Myanmar faced with financial and fiscal problems, due to various economic and social problems faced by Myanmar before, Myanmar blocked to get help from international agencies like IMF and World Bank. Therefore, Myanmar does not have the funds for development, especially in finance. This case brought Myanmar to join in ASEAN. After joining Myanmar's economy has increased and recovered as described in the table below.

Table 2.2 Myanmar Economic Achievement 1989-2003

Year	The Growth of KNDK	US\$ million	
		Export	Import
1989-1991	3.1	383.4	643.3
1992-1994	7.7	826.0	1267.2
1995-1997	6.3	1160.5	2495.9
1998-1999	5.6	1194.5	2372.3
1999-2000	10.9	1363.0	2211.0
2000-2001	13.2	1824.0	2375.0
2001-2002	13.6	2782.0	2627.0
2002-2003	11.1	2627.0	2684.0

Source: Journal of Social and Political Science Hasanuddin University by Aini Fatihah

Myanmar's membership in ASEAN is aimed at increasing international trade and foreign investment. Being an ASEAN member gives Myanmar an opportunity to engage with various forms of cooperation such as AFTA and the Asia Pacific Economy Community (APEC) the important thing is Myanmar success come out of the economic borders of Western countries headed by the United States and European Union.

B. Ethnic Diversity in Myanmar

Compared with other countries, Myanmar is one of the countries that have several ethnics inside their country in the Southeast Asia region. The history of Myanmar is the history full of ethnic conflict at the beginning of the establishment of Myanmar state. This is based on the history of the country of Myanmar when a community that has a culture similar to India, who named himself as a *Pyus* group established a kingdom around Delta of Irrawaddy. Then in the twelfth-century King Anawrata united the people of Burma in a territory of an independent political order. And after that Myanmar get independence from British on 4th January 1948.

In terms of population, Myanmar is a multiethnic country, 70% are Burmese, Bamar, Shan, Kachin 6.2%, Rakhine 4.5%, Cina 0.7%, Mon 2.41% and India 1.3%. from all the various ethnics, there is a Muslim group of Rohingya, a minority group living in the Arakan area, which borders of Bangladesh. In terms of religion, 75% of the population is Theravada Buddhist, but there are also Christians 4.9%, Muslims 3.9%, Hinduism 0.5% and other religions (Wahyudi A. , 2016).

Picture 2 1 Map of The Ethnic Group Region in Myanmar



Economist.com

Source: Burma Insurgency and the Politics of Ethnicity by Martin Smith

Myanmar's population in 2001 was about 52,531,000 people with a density of 67 people/km². The largest group is the ethnic Burmese Tibetan-Burmese descendants as the heirs of the Pyus and Mon people who occupy the region in the vicinity of the Irawadi River. This population is comprised of several different ethnicities involving approximately 135 ethnic groups inhabiting Myanmar with a variety of different dialects as well. The language used by the people of Myanmar is Burmese, the people of Myanmar come from multiethnic with

various cultures and local languages. However, the national language is the language of Myanmar. The majority of Myanmar people are devout Buddhists.

The number of ethnic groups and beliefs in Myanmar is in fact not going well, so there are many problems or conflicts. As a majority group, Buddhists often act arbitrarily against Muslims and other minorities because they think that Myanmar is only for Buddhist and muslim are considered foreigners. Eventually, various tragedies against their Muslim group did. In fact, this Buddhist attitude is supported by the state. The dominance of the Burmese ethnic group, which is generally Buddhist towards other ethnic groups, has given rise to political practices that are perceived as unfair by other ethnic groups, including ethnic Muslim minorities. These unjust policies were then suspected to be the main cause of the split in Burma, which has not ended.

The people of Myanmar are divided based on ethnic factors, such as Burma, Shan, Karen, Rakhine, Kayah, India, and Mon. the division also applies in Muslim societies, there are Muslim Burmese or Zerbadee, Muslim of Indian descent, Muslim Hui-Hui or Panthay and Rohingya Muslims. But generally, Muslims in Myanmar is divided into three communities. *First* community, Burmese Muslims is the earliest formed community, they are formed from the Sweebo region in the central plains near the pre-colonial capital of Burma. This community can be traced back to the 13th and 14th centuries when their ancestors came to the country as imperial servants, mercenaries, and merchants from West. In the 1930s these well assimilated Burmese Muslims accounted for less than a third of the Muslim community.

The *second* community is Muslim India that formed alongside Burmese colonization by the British in the 19th century. In 1886 to 1937, Burma was made part of the Indian province by the British. Therefore, many immigrants from India to Burma. The British government is instrumental in the coming of these Indian Muslims. They are domiciled in Arakan and Tenasserim provinces. *Third* is Muslim Rohingya that stayed in Arakan, Rakhine that directly border with

Bangladesh. Compared with Muslim Burma and India, the position of Muslim Rohingya is the most difficult. They are rejected by the government and minorities ethnic in Myanmar and until now Myanmar does not recognize Rohingya as one of the ethnicities in their country (Blogarama, 2015).

C. Conflict of Ethnic Rohingya in Myanmar Before 2004

The word Rohingya comes from the word Rohang, which is the old name of the state of Arakan. Arakan was once an independent state that was once dominated by Hindus, Buddhists and Muslims alike. In the United Nation record, Rohingya is only referred to as a Muslim population residing in Arakan, Rakhine, Myanmar. From a linguistic point of view, the language which is claimed to be Rohingya is actually included in the Indo-European language family, especially the Indo-Aryan relatives. More details, the Rohingya language is categorized as the Chittagong languages spoken by the people of southeastern Bangladesh. Meanwhile, most languages in Myanmar belong to the clump of Tai Lizard, Austroasiatic, or Sino-Tibetan. Thus, it is clear that the Rohingya ethnic group is of ethnic Bengali descent, especially the Chittagong sub-ethnicity living in Southeast Bangladesh (Hartati, 2013)

When the British conducted a population census in 1911, Muslim settlers in Arakan had numbered 58 thousand people. That number continued to grow in the 1920s when the British closed the Indian border, so the Bengalis opted to enter Rakhine. Since these years, there have been conflicts with the majority of local people who are Buddhists. The increasing number of migrant residents makes local residents worried. In 1203 century, Bengali became an Islam state, and since then the influence of Islam began to penetrate the Arakan territory until, at the end of 1430, Arakan became a Muslim state. It was a marked by the ratification of the Yandabo Covenant that caused Burma, Arakan, and Tenasserim to be incorporated into the British Indian territory. For 350 years the Muslim empire stands in Arakan and Muslims live in peace. But on September 24, 1784, King Boddaw Paya of Burma invaded Arakan and

took control of it. In 1824-1826 the first Anglo-Burmese war broke out. This war ended on February 14, 1826.

Picture 2.2 Map of Arakan, Rakhine Area



Source: <http://sachhiem.net/print.php?id=7009> Accessed on May 24th, 2018

In 1935, it was decided that Burma was separated from British India precisely from April 1, 1937, through this decision also Arakan combined into a part of British Burma. This is contrary to the wishes of the majority of its Muslim population and wants to join India. Until in the end, Arakan became part of Myanmar's independence in 1948. Nothing

else is recognized by the people of Myanmar, the Rohingya are regarded as temporary residents. As foreigners, the Rohingya are not permitted to work as teachers, nurses, public servants or in their community services, regarded as non-nationals and not recognized by the Myanmar government.

In an official manner under the Myanmar Citizenship Act of 1982, the government did not even recognize Rohingya as part of the race in Myanmar. This is evident from the statement of Myanmar's Foreign Ministry that there are 135 races living in Myanmar now. The Rohingya do not belong to any of these races. According to them, the Rohingya race is a group that enters Myanmar illegally. Even more, their existence is not recognized as citizens, as well as foreigners. In essence, the Rohingya must leave Myanmar (Yumitro, 2017). As a majority group, Buddhist often act arbitrarily against Muslims because according to them Myanmar is only for Buddhists and Muslim are considered strangers. Eventually, various tragedies against their Muslim group did. In fact, this Buddhist attitude is supported by the state.

The ethnic group located in northern Myanmar is marginalized by the Junta's government and in the Rohingya region, the teachers are usually from the ethnic Rakhine Buddhist group, which often hinders the opportunity to receive education for the Rohingya. Rape and forced labor are common to the Rohingya in Myanmar. Myanmar's army often asks for money from them and when they cannot pay, they will be arrested and tortured. The Rohingya were also subjected to religious torture. Almost all Rohingya are Muslims. Since 1962, no new mosque was built. Even religious leaders have been imprisoned for renovating the mosque.

This is because Rohingya people do not have documents that can prove that they are inhabitants of Myanmar. So far when they want to take care of the correspondence as citizens, the government has refused to provide service to them. Therefore, the existence of Rohingya people can also be called a nation without the state. They have an identity, but they do not have the power and structure of government that can provide service as citizens to them. Even they are in a

depressed condition and get various discriminatory treatment from the government of Myanmar. It can be said that they no longer have the opportunity to access their most basic rights even for life due to their existence being the target of government killing.

There have been several escalations of conflicts of conflict in Myanmar against Rohingya, among others: in 1942, the government of Myanmar provoked Buddhists in Arakan until a great riot that caused 100.000 Rohingya were killed and hundreds of thousands fled to East Bengal. Then in 1949, the riots triggered by Burma Territorial Forces (BTF) occurred again by killing thousands of Muslims and hundreds of homes and mosques destroyed. In 1962, there was a coup d'etat in Myanmar by General Ne win against President Aung San, followed by a military operation against the Rohingya known as Operation King Dragon in 1978 which resulted in 200.000 Rohingyas fleeing to Bangladesh and neighboring countries others (Ardiansyah, 2015).

Because of many issues related to the identity of Rohingya Muslim community and government groups supports by Buddhist figures, the Myanmar conflict has shifted into the religious conflict. Thus, the Rohingya conflict is widespread not only the conflict between ethnic Buddhist with Muslim in Rohingya but also the government taking over with doing some violence through junta military toward local people in Rakhine, Arakan region that include many ethnics. Such as Buddhist, Muslim, Christians, and others. So, that is why this conflict is not finished yet until toda