The narcotics problems in Burma: Insurgency, drugs, politics, and poverty

Jesse Earle Odum
The narcotics problems in Burma: Insurgency, drugs, politics, and poverty

Jesse Earle Odum

Abstract

The illegal drug problem in Burma is alarming and affects not only Southeast Asia, but the entire world. The problem has been shaped by decades of internal conflict. Fighting between ethnic groups began before Burma's independence. The country has not had a moment of peace since independence from British colonization. The aggressive military junta continues to destroy the licit economy in Burma and continues to destroy opportunities for the country to receive much needed foreign aid and assistance. The military government has created an environment that condones and indirectly encourages involvement in the drug trade and other illicit activities. The drug situation continues to worsen. As opium has gradually been reduced, Amphetamine Type Stimulants have replaced opium as an even greater threat to the global community. Burma needs international assistance to rein in its continually increasing drug trade.

Introduction

Burma is the most important country in Asia regarding drug trafficking. The drug problem in the Golden Triangle must be understood in the context of the situation in Burma during the last sixty years. Without Burma, there would be no Golden Triangle. The roles of Laos and Thailand in the drug trade are relatively minor. Burma was the number one opium producer in the world for decades. Only recently, has Burma dropped to become number two world producer of opium and heroin.

This drop in opium production is not necessarily good news,
since the decline in opium has been compensated with an explosion of Amphetamine Type Stimulants (ATS). The new threat of ATS is even more dangerous and much more difficult to eradicate than opium or heroin. ATS is easier to produce, easier to smuggle, and harder to detect and suppress. The narcotics problem is caused by both political and socio-economic factors. Burma has not had peace since its independence from British colonization in 1948.

Since 1948, the country has suffered from continual ethnic insurgencies. Insurgents have used drug trafficking to finance their operations. Most ethnic insurgent groups agreed to a ceasefire with the central government in 1989; however, two insurgent groups are still fighting today. The ceasefire agreements have not brought development and most former freedom fighters are now just plain old drug traffickers with armies to support them.

The situation has continued to worsen, as a corrupt military junta rules Burma and continues to suppress human rights and democracy. Since the most recent coup in 1988, the aggressive assaults by Burma’s military against unarmed civilians have only made matters worse. The United States and other nations have imposed sanctions, cutting off funding for drug eradication and training for drug enforcement authorities. Since the 1988 coup and United States sanctions, the drug business has continued to grow along with poverty and underdevelopment. The narcotics situation in Burma is complicated and cannot be solved without alternative approaches and international support.

**The creation of the opium problem in Burma**

**The legacy of the British Empire**

Opium in Burma was not always a problem, at least not in the eyes of the British colonizers who had a monopoly on the opium trade. The British made a lot of money on opium during their centuries of colonization in Asia and India. The British fought two opium wars in the nineteenth century to force China to trade opium. As a result, cultivation grew in China and eventually spread into Burma. After the British colonized Burma, they initially encouraged opium use and used hill tribes to grow opium in the highlands of Burma.
Although the British eventually changed their policy on opium, they never seriously implemented plans to fix the problem that they created. “The breakdown of social order, in which narcotics played a role during the British era, set the stage for dramatic upheavals in independent Burma” (Renard, 1996: 43). The British not only introduced and developed the opium trade in Burma, but the legacy of colonialism created an environment of increased disunity and distrust amongst the different ethnic groups in Burma.

During the Second World War, many ethnic minorities sided with the British and fought for Burma’s independence, while many ethnic Burmans initially sided with the Japanese. These ethnic groups fought against each other, creating a bitterness that would last for decades and lead to continued disagreements and civil war.

Under British rule, many ethnic minorities had enjoyed political autonomy in their geographical areas. The Kachin, Karen, Chin, and Shan were all independent groups who did not want to be part of a unified Burma led by lowland ethnic Burmans. However, Aung San, the new leader of Burma as an independent nation, was popular amongst all ethnic groups. He was a famous ex-military officer, proven in combat, and a leading figure in fighting for Burmese independence. Aung San was one of few ethnic Burmans that was able to unite ethnic minorities from the Shan, Kachin, and Chin States to join a unified Burma.

**Independence and civil war in Burma**

On 12 February 1947, the ethnic minorities agreed to join the Union of Burma under the Panglong Agreement. One condition of the agreement allowed any of these states to secede from the union after a period of ten years. The Karens refused to sign the agreement. Within only five months of the signing, on 19 July, Aung San was assassinated along with his cabinet. Aung San’s political rival, U Saw, was convicted of plotting the assassination.

Aung San was replaced by U Nu, a rather weak leader and soon the country began to break apart before the union of Burma was even formed. The various ethnic groups began to engage in armed combat against the central government, and the Communist Party of Burma (CPB) became a formidable threat to the government as well. “The polarization of Burmese society appeared complete after
barely a year of independence. In December 1948, U Nu issued a
desperate appeal to the CPB to come to the negotiating table”
(Linter, 1999, 22). No agreement was reached and civil war
continued. The central Burmese government was fighting several
different insurgent groups. The CPB eventually became the most
powerful of all rebel groups as a result of Chinese support.

The CPB leaders temporarily fled to China, only to re-emerge
several years later with Chinese training, weapons, and financial
backing. The ethnic minorities did not have Chinese financial
backing to buy weapons and food to feed their armies. A large
majority of these groups were located in the Shan and Kachin States
which had a natural resource that could be sold to finance their
insurgency. This resource was opium and the world would pay a lot
of money for opium. The insurgent groups forced the hill farmers
to grow opium, which the insurgent armies sold to Thailand in
exchange for weapons and ammunition. Opium was not yet illegal
in Thailand and was needed for the Royal Thai Opium Monopoly.
Even after Thailand made opium illegal, the trade continued to
flow, as illicit opium was even more valuable.

China falls to communism and opium increases in Burma

The real boom of opium development did not come from these
insurgent groups, but they would eventually benefit from it. The
major initial growth of the opium trade came due to the political
situation in China. After the communist government took control
in China in 1949, they outlawed opium and brutally suppressed it.
As a result, thousands of Chinese opium growers fled to Burma. As
opium growing was eradicated in China, it increased in Burma.

Opium merchants also moved into Burma. The Panthay
Muslim Chinese had been opium merchants for centuries and also
faced oppression in Burma. Many Panthay had already migrated to
the Shan State years earlier. The Panthays played a role in the
developing opium trade; however, their role was minor compared
to the role of armed remnants of the Chinese Nationalist (KMT)
army that fled into Burma.

The KMT remnants were cut off from their leadership which
had fled to Taiwan. The KMT troops had no income and were low
on equipment. All they had were guns and military training. They
found opium to be the ideal solution to their financial problems. They forced the local opium farmers to grow opium and used the proceeds to buy weapons. “At Burma’s independence in 1948, the country’s opium production amounted to a mere thirty tons, or just enough to supply local addicts in the Shan states, where most poppies were grown. The KMT invasion changed that overnight” (Linter, 1999: 143). Before long, the KMT remnants were able to make contact with their leadership in Taiwan. They were instructed to prepare to reinvade China. Before long, Taiwan started shipping weapons into the new KMT bases and the KMT shipped opium out on the same aircraft. In addition, opium continued to be smuggled by land into Thailand and the rest of Southeast Asia.

To make matters worse, the United States government supported the KMT, providing funding as well as condoning and even covertly assisting its opium trafficking. The United States government supported the KMT in a secret war, with the aim of stemming the Cold War and stopping the spread of communism at all costs. This policy along with the policy of other secret wars contributed to the expansion of illicit drugs in Southeast Asia.

As an ally of the United States, Thailand facilitated opium trafficking through Thailand and arms smuggling into Burma. With this relationship, the wealth of Thailand increased and KMT leadership developed close ties with high-level Thai officials. Eventually KMT leaders sought refuge in Thailand, laundered their drug money into the Thai economy, and transformed themselves into major drug traffickers. As they retired from the ideological war against communism, the KMT remnants soon began to focus their energy on being drug lords under the cover of legitimate business. “The secret war in the Golden Triangle was also a failure. The Guomindang’s forces and special agents could not ignite any rebellion in Yunnan and, frustrated, they increasingly turned their attention to the more lucrative opium trade” (Linter, 2002: 240). Finally under pressure from Burma’s central government, Taiwan agreed to withdraw the KMT forces.

Even though many left, others refused as they were now well-established as drug traffickers in Burma. At the same time, the Shan State requested to secede from the Union of Burma under the ten-year clause of the Panglong Agreement. The central Burmese
government denied this request, leading to the emergence of new Shan armies and increased drug production and trafficking to finance these insurgencies.

The army takes control and ethnic insurgencies increase

The 1962 coup

As ethnic fighting continued, the Burmese army grew stronger and more experienced in battle, and eventually became the most powerful institution in Burma. The military originally took power on a temporary basis from 1958 to 1960. This power grab was called a trusteeship. Power was temporarily returned to the weak civilian government, and then on 1 March 1962, the Burmese army took full control, and announced a new policy of “The Burmese Way to Socialism.”

Thousands gathered to protest the coup. The military responded by killing innocent unarmed protestors. The new government takeover only made illicit drug matters worse. Thousands of people fled the country or joined resistance groups. Several students fled to the outlying areas to join the Shan resistance groups and the CPB.

The Burmese government ruined the economy by devaluing the currency. The new environment opened up the black market and illegal economy. Opium cultivation and trafficking flourished out of necessity, as the need to fight against the corrupt undemocratic government increased. “Consumer goods, textiles, machinery, spare parts for vehicles, and medicine went from Thailand to Burma, and teak, minerals, jade, precious stones and opium in the opposite direction” (Linter, 1999: 223). During this stage of the opium development, the opium groups were not necessarily criminals. They were just ordinary people struggling to survive.

Opium was used to buy food and other necessities. It was also used as medicine by poor farmers, and as a means to finance a just cause against a corrupt government. The KMT groups were also selling opium to finance their just cause of freedom. Opium was quickly becoming the most viable way to make a living and probably did not seem criminal to the local people just trying to survive. This was especially the case after the new military junta
devalued the currency with the 1964 Socialist Economy Protection Law, leaving many people with little option but to turn to the black market. If the government suppressed the black market activity, matters would only get even worse.

The Shan rebellion

After the Shan were refused the right to secede from Burma, they decided to secede regardless. Several new Shan revolutionary armies were formed. All of these armies sold opium to Thailand to buy weapons. As the revolution increased, so did the opium. In addition to the Shan armies, several small independent armies were formed. Many of these did not have a cause other than making money by selling opium. The original Shan resistance force was formed in 1958 by Pu Ling Gung Na and Sao Noi. The new organization was called Noom Suk Harn (Brave Young Warriors). Gung Na had connections with the Royal Thai Police in Chiang Mai and was able to set up an opium trading deal to finance the new army. The new Shan rebels allied with the KMT, who were now investing drug profits into legitimate businesses in northern Thailand and continuing to facilitate opium trafficking into Thailand.

Many people joined with different agendas. Some wanted to be free, while some just wanted to be rich. “Some thought that an independent Shan country would be in a better position to do business with the outside world while others just wanted to take advantage of the booming opium trade along the border” (Lintner, 1999: 188). Many of the idealist students who had fled to the jungle to join Noom Suk Harn become disillusioned, feeling that the troops had become less interested in being “brave young warriors” and more interested in being rich drug dealers. These groups of idealistic young students broke away from Sao Noi to form the Shan State Independence Army (SSIA).

In 1962, the Shan National United Front (SNUF) was formed in an attempt to unite the two groups. The leader was Moh Heng. The Shan National Army (SNA) was formed when Sao Ngar Kham broke away from the SSIA and formed his own army. The SNA and other insurgent groups were based in northern Thailand. Sara Ba Thein took over the leadership of the SNA in 1964 after Sao Ngar
Kham was assassinated. Most of the separate Shan Armies agreed to unite under the leadership of Yawnghe Mahadevi to form the Shan State Army (SSA) on 25 March 1964. The new SSA was formed by members from the Kokang Revolutionary Group led by a major opium warlord Yang Zhensheng (Jimmy Yang), whose sister Olive Yang was another major drug lord.

The SNA and part of the SSLA did not join but remained as separate armies. Several Shan groups gained backing from the United States Central Intelligence Agency (CIA), in exchange for sending Shan troops to fight in the CIA’s new secret war against communism in Laos. As these new groups emerged, resistance against the Burmese junta intensified and the opium trade boomed. A new demand for heroin from the United States military personnel in Vietnam and Thailand made the trade even more lucrative.

**Emergence of drug trafficking armies**

With the growing insurgency problem and the inability of the Burmese Army to suppress it, the Burmese Army decided to make a new counterinsurgency plan. The new plan would be to fight the insurgents without sacrificing the manpower of the Burmese Army. The plan was to form home guard units, called Ka Kwe Ye (KKY). With the emergence of private drug armies without a political cause, the Burmese Army thought that they would make a deal with them, converting them into KKY troops.

This KKY policy did not solve the insurgency problem, but greatly increased the drug trade. By creating the KKY, the Burmese government condoned drug trafficking. The Burmese government was willing to win the counterinsurgency by all means, just like the United States was determined to win the Cold War, with disregard to drug trafficking. The Burmese Army made a deal with several local men who had their own armies. The deal was that they would fight against the insurgent groups and in exchange they were free to use government roads to traffic their opium to the Thai border. Of course the drug armies accepted this deal.

With this new deal, the drug armies gained a monopoly on the drug trafficking business. The KKY could fight against the insurgents, who were their competition in the drug trafficking
business. They were able to freely traffic opium, and they were backed by the Burmese Army. What a great deal for an emerging drug lord! During this process, the KKY were able to build up their arsenal of weapons.

Of course, the KKY spent less time fighting against insurgents and more time trafficking drugs. The KKY started running drug caravans to the Thai border and transporting drugs for mercenaries for a fee. The Panthay Chinese Muslim traders and other independent groups took advantage of these services. They paid a percentage of the sale to the KKY, and the KKY provided an armed escort. Sometimes the Burmese Army helped escort the opium convoys. “The KKY home guards were often hired by the merchants to convoy the drugs. Many KKY commanders were also merchants themselves. If Lo Hsing-han or Khun Sa, for instance, conducted a convoy down to the Thai border, they would be carrying their own opium as well as drugs belonging to the merchants, most of whom did not have private armies” (Lintner, 1995: 24). The KKY fought occasional battles against the insurgent groups, but they were largely unsuccessful warriors.

Most of the battles were won by monopolizing the opium trade, which the insurgent groups had become dependent upon to finance their revolution. With the loss of opium revenues, many of the insurgent groups were beginning to get desperate for money. By the mid 1960s several different groups were involved in the drug trade including insurgent bands, merchants, KKY troops, the Burmese Army, intelligence agencies, international crime syndicates, couriers, farmers, and drug addicts.

The military junta’s drug policy

The junta’s need for legitimacy

The military government went through several changes in drug policy. Typically the junta was much more concerned with consolidating its own power and focusing on security, as opposed to preventing drug trafficking. As seen with the creation of the KKY units, the junta encouraged and facilitated drug trafficking. “The cultivation of poppy was expanded in the early and mid-1960’s after the Burmese military took over power in 1962 and proceeded,
in the name of socialism, not only to nationalize private enterprise, large and small, but also outlawed all private economic activities” (Jelsma, Kramer, and Vervest, 2005: 24). The junta not only encouraged drug trafficking with policies such as the creation of the KKY units, but their terrible mismanagement of the country forced people into professions such as drug trafficking and other black market underground activities.

Despite the junta’s promotion of the drug trade, they had to have an official policy against it. After the 1962 coup, the junta needed to gain international support and funding for the new regime. They announced that they were anti-drug and intended to suppress drugs. U Nu signed the United Nations Single Convention on Narcotics Drugs in 1961. Of course real action against drugs was minimal.

**Burma develops drug policies**

Under the 1961 convention, Burma agreed that drugs should only be legal for medical purposes and agreed to make drugs illegal within twenty years. Junta leader, General Ne Win, asked the United Nations (UN) to approve the legalization of opium growth in the Shan States, the UN refused and the junta was quite angry. Despite their anger, the junta still initiated official drug prevention plans. The junta cooperated with the UN and allowed a team from the UN to study opium cultivation in Burma.

Burma initiated a plan to study the addiction problem, crop substitution methods, and drug laws. This was accomplished with the Opium Enquiry Committee of 1964. The junta also implemented a project to develop the Kokang region, which was the largest production area at the time. In October 1965, a new law was passed that made opium production and trafficking illegal in the Shan states. It is interesting that this law was passed during the peak period of the KKY plan, in which the government was using drug trafficking as a counter-insurgency strategy.

The international community became particularly alarmed during the late 1960s when they discovered that opium was being refined into heroin. The heroin demand was rapidly increasing and heroin was easier to traffic than raw opium. Heroin was also more dangerous than opium. A large amount of this heroin supplied
United States military personnel that had flooded Southeast Asia due to the Vietnam War. As they returned home, the heroin problem spread to the United States and Europe. Once the heroin problem had become global, the international community was eager to give drug aid to Burma.

In 1972, Burma refused to sign the Protocol Amending the UN Single Convention on Narcotics Drugs. This was quite likely because the junta was still upset from the UN’s denial to legalize opium production in the Shan States. Of course, other than political reasons, the junta was not overly concerned about a law against opium production. In 1974, the junta passed the Narcotics and Dangerous Drugs Law Act, further making drugs illegal and setting stiff penalties for drug production and trafficking. In 1983 and 1988, the law was amended, increasing penalties for drug use, production, and trafficking.

The 1975 Public Order Act was especially strong and mirrored the actions of the military junta government. The 1975 law denied drug traffickers trial and created heavy punishments for drug trafficking. The junta did not sign the 1976 UN Convention of Psychotropic Substances. The junta also developed 5-year plans for development in opium regions. The 5-year plans began in 1976 and continued until 1991. The UN donated US$ 6.5 million to a development program named the Burma Program for Drug Abuse Control. The program lasted until 1991. Few positive results emerged from this program, as opium production in the region continued to increase along with continued underdevelopment. Perhaps the result would have been different if the junta was actually committed to stopping drug production and trafficking instead of funding drug armies disguised as home guard units. Despite the reality of the situation, the junta gained international support and funding by passing official legislation.

The return of the CPB and the increase in drugs

The return of the CPB

By the middle of the 1960s, it seemed that the junta’s genius plan to sponsor the KKY drug trafficking home guard units was nearly successful. The KKY had managed to gain control of ninety
percent of the opium in Burma and substantially reduced the income of the insurgent groups, who were dependent on opium for income to finance their insurgencies. But the insurgency escalated when the CPB suddenly returned from China, invading the Shan State in 1968.

The CPB had been underground for quite a while. The CPB return created a formidable challenge for the junta. The CPB cadres had spent years of training in China, and were now well trained militarily, well indoctrinated, and backed by China. Unlike the Shan insurgent groups, the CPB was not dependent upon the sale of opium to finance its revolution because it was heavily armed and financially backed by China. “During the period that followed the thrust into Mong Ko on New Years Day 1968, the CPB received massive Chinese support. Everything from anti-aircraft guns to sewing needles came across the bridge from Meng A to Pangshang in those days” (Linter, 1990). The CPB was able to gain allies easily in the Shan State. Burma was already under the rule of the brutal socialist military junta, and the CPB almost seemed like a better alternative. Also, the CPB was willing to provide an unlimited supply of weapons to the hill tribe armies and the Shan insurgent armies. All CPB asked in return was for the groups to respect the CPB as a political entity.

**CPB and ethnic minority cooperation**

Most of the rebel groups allied with the CPB, while maintaining their autonomy. Just as the United States and Taiwan had backed the KMT to invade China in their secret war, China had a similar objective of spreading communism by backing the CPB. The CPB recruited from the Akha and Wa tribes to form the CPB army. The Akha and the Wa hated Burmans, and were more than willing to fight for the CPB. The Wa tribe became the largest groups of CPB fighters.

The CPB attack came at the same time that the United States was fighting in Cambodia, Laos, and Vietnam. The new communist invasion deeply concerned the United States, as communism was increasing in Southeast Asia along with increasing production of opium and heroin. By the early 1970s with the new support of the CPB, insurgent armies, merchants, and the KKY
were constantly improving the drug business. By the early 1970s, heroin refineries were booming along the Thai border.

The opium was moved from the northern Shan State to refineries along the Thai border. After the raw opium was processed to heroin, it was smuggled across the Thai border. The cross border trade was facilitated by insurgent groups enjoying refuge on the Thai side of the border. Thailand tolerated the insurgent groups as they created a buffer against the communist threat on their border.

**The changing role of the KMT**

In 1972, General Li Wenhuan of the KMT, who had already established himself in Thailand and laundered his drug money into the Thai economy, agreed to resign from the drug trade in exchange for a million US dollars. After receiving his money, he burned his opium and many of his men joined the Shan United Resistance Army. It is suspected that Gen Li still remained linked to the drug trade but simply retired from being a military commander. Even though the KMT Army officially was disbanded, they still operated under the cover of the KKY and other groups.

Former KMT member became facilitators of international drug trafficking and played integral roles in founding the international ethnic Chinese drug syndicates that run the Southeast Asia drug trade today. General Li chose the perfect time to retire as a drug army commander, since the United States withdrew all support from the KMT in 1973, when the United States formed the Drug Enforcement Agency (DEA) and began a war on drugs.

With the withdrawal of United States support, the KMT could no longer compete against the powerful drug armies in Burma. Most of the KMT fled into Thailand and supported the drug trade from Thailand. The United States now had to face both the drug war and the Cold War, which were often interrelated. Other than supporting the insurgent groups, the CPB was initially against opium. The CPB actually tried to initiate a crop substitution plan, but it failed miserably and opium production was resumed out of necessity. The CPB remained a political organization and limited its role in the opium trade as long as it still had backing from China.
The fall of the Ka Kwe Ye and the rise of drug lords

KKY units become drug armies

During this period, Lo Hsing Han had become the most powerful KKY drug lord. Another powerful KKY leader was Zhang Qifu, better known as Khun Sa, who was arrested in 1969 for drug trafficking, making way for Lo Hsing Han to become the most powerful drug lord. Lo Hsing Han was a wanted man by the Burmese government. On 4 January 1973, the junta realized that the KKY was not solving the insurgency problem and ordered the KKY units to deactivate and turn in their weapons. Many of the units complied and became independent drug traffickers or opium farmers. Several groups refused to disarm and now had powerful, heavily armed armies to back them.

The two major drug armies were run by Lo Hsing Han and Khun Sa. These two became the most powerful drug lords in Burma. During this period, the Shan State Army was trying to gain political support for its cause. The SSA wanted out of the drug business, but needed a source of financial backing. The SSA proposed to Lo Hsing Han that he and the SSA sell the majority of Burma’s opium to the United States government, which the United States could then destroy. Lo Hsing Han agreed to go to Bangkok to propose the deal with the help of the Thais. But the Thai authorities arrested him and turned him over to the Burmese government, before he could try to make a deal with the United States. The junta tried him for treason, not for drug trafficking. Khun Sa was released from prison during the same year that Lo Hsing Han was locked up. Khun Sa’s army kidnapped a couple of Russian doctors working in the Shan State and offered to release them in exchange for the release of Khun Sa. The junta agreed. With Lo Hsing Han behind bars, Khun Sa could work on becoming the next major opium king pin.

Most of Lo Hsing Han’s men joined the Shan United Revolutionary Army and resumed drug trafficking. The dissolution of the KKY units created a new enemy for the junta within Burma. Many of the former KKY were now allied with the insurgent groups that they were supposed to be suppressing. In addition, most of these groups were allied with the CPB to some extent. The Lahu
tribe, also formerly a KKY, refused to give up and continued to attack the Burmese government troops and traffic drugs. Lahu had tribal relatives across the border in Thailand who were major opium producers.

New armies and new alliances

Khun Sa founded a new drug army in 1976 called the Shan United Army (SUA). Khun Sa and his army were ethnic Chinese and not Shan. Zhang Qifu had adopted the Shan name of Khun Sa and called his troops the Shan United Army in order to gain Thai support. The Thai, Lao, and the Shan in Burma all share common linguistic ties. The Shan or Tai Yai are more ethnically and culturally similar to Thai than Burmese. Meanwhile, Thailand and Burmea have been traditional enemies for centuries. Ever since the Burmese destroyed and looted the Thai ancient capital of Ayutthaya in the eighteenth century, relations between Burmese and Thailand have been tense.

The SUA and Khun Sa were unlike the SSA who had a political cause. The only cause that Khun Sa believed in was drug trafficking. Khun Sa was allowed to set up his base of operations on the Thai side of the border in northern Chiang Rai province. The SUA, under Khun Sa’s leadership soon become the most powerful drug trafficking organization in the region.

The SSA needed a new ally, and turned to the CPB for help. The CPB agreed to arm the resistance groups. The CPB, however, was beginning to face problems of its own. After the death of Mao Zedong in 1978, the new regime under Deng Xiaoping decreased support for the CPB, and decided to normalize relations with the Burmese government.

As the CPB began to lose funding from China, they were forced to become involved in the drug trade themselves. “Drug revenues become particularly useful after China under the leadership of Deng Xiaoping reduced, at the least temporarily, its military and financial support” (Boucaud and Boucaud, 2000: 38). By the mid 1980s, the CPB had control of over 80 percent of opium-producing land. This provided a tax base for the CPB and allowed the CPB to maintain its ideological struggle for the time being.
Drug lords gain more power

The development of Khun Sa’s Shan United Army

During the late 1970s and early 1980s, many of the drug lords were operating out of northern Thailand. It was hard to distinguish which groups had legitimate political concerns and which groups were just drug lords. Many hill tribe groups fled to Thailand during the fighting and joined their relatives in growing opium in the Thai highlands. In 1976, members from ten ethnic minority groups united to form the National Democratic Front (NDF). The CPB also joined this organization. It is ironic that an organization fighting for democracy would be backed by the CPB.

While ethnic minorities were concerned with politics, Khun Sa continued to build up his SUA from his headquarters at Ban Hin Taek in Thailand. The SUA was composed of ex-KKY, drug merchants, and former KMT troops. Almost all members were ethnic Chinese, with the Shan name as cover for their primary motive of drug trafficking. Khun Sa and General Li Wenhuan had followed similar patterns of setting up in Thailand and both contributed heavily to the making of the Golden Triangle. Khun Sa had good connections with the Burmese and Thai authorities. He was also generous at investing drug money back into the economy and into the pockets of corrupt officials. With these methods, Khun Sa gained loyalty and support from various social classes.

Trafficking outward from Thailand was the responsibility of ethnic Chinese criminal organizations with global networks. The hill tribes grew the opium, the insurgents and drug lords taxed it and transported it to the border where it was refined into heroin and turned over to Chinese gangs to smuggle to the United States.

Khun Sa kicked out of Thailand

After the United States put pressure on Thailand to take care of the Khun Sa problem, he was forced back onto the Burmese side of the border but continued to develop his drug business. He made another deal with the corrupt junta, once again agreeing to attack the insurgent groups in the Shan State in exchange for government support of his drug business. “But Khun Sa also needed a firmer deal with the Burmese authorities. On 7 March 1984, SUA
representatives reportedly met the eastern commander of the Burmese army, Brig-Gen. Aye San, at the garrison town of Mong Ton to finalise the details of a joint cooperation agreement” (Linter, 1999: 325). This was a revival of the KKY in a sense. Khun Sa was able to eliminate his competition and gain the backing of the junta as well, thus becoming an even more powerful drug lord. Of course the junta publicly denied that they made such a deal with Khun Sa.

By 1985, Khun Sa was able to push out the KMT elements remaining in Burma. Khun Sa gained even more power in 1985, when he combined forces with the Shan State Army, and smaller Shan insurgent groups to form the Mong Tai Army to back up his new Tailand Revolutionary Council. Khun Sa now commanded a heavily armed and well trained drug army of 20,000 men.

**SLORC and the continued decline of the Burmese state**

While Khun Sa was becoming more powerful every day, the Burmese government was preparing to make matters even worse for the Burmese people and increase business for Khun Sa. The State Law and Restoration Council (SLORC), which replaced the ruling junta in 1987, decided to devalue the national currency. The already impoverished Burmese population suffered even more. Thousands of people lost their life savings. Once again groups of lowland Burmese were forced into the illicit underground economy.

In 1987, Burma applied for the least developed nation status with the UN. The actions of the incompetent junta continued to support the drug trade, both directly and indirectly. The Burmese citizens had enough of the corrupt military government and massive democracy demonstrations ensued. Aung Sang Suu Kyi (the daughter of Aung Sang) emerged as a democratic leader and inspired pro democracy demonstrations throughout the country.

A democratic party named the National League for Democracy (NLD) was formed. The Burmese desire for democracy was increasing. As the demonstrations grew, the SLORC seized power under the leadership of General Saw Maung, and brutally suppressed the demonstrations. SLORC troops mowed down unarmed civilians with machine guns. This action made the economic situation, the insurgency, and the drug problem in Burma even worse.
After the human rights violations by the SLORC, Burma lost the much needed support of the international community. “Foreign aid to Burma was cut off by the US, Australia, Britain, Germany and Japan. The aid from the US had consisted mostly of anti-narcotics assistance amounting to US $12.3 million per year. By terminating its support, Washington obviously wanted to make a point” (Linter, 1999: 353). Burma was now short on 12.3 million dollars per year to combat drug trafficking and obviously did not have the funds to spend on an anti-drug trafficking campaign.

In addition thousands of people were now unemployed and the underground economy was one of the few viable options for many. With the rise of the SLORC and the loss of international support, refugees fled into Thailand and other countries. These new refugees and illegal migrants found work in illegal industries and many directly or indirectly become involved in the drug trade.

To gain international recognition, the SLORC claimed that they would hold elections and that they were committed to fighting the illegal drug trade. The role of the DEA was now limited to joint investigations and sharing drug intelligence. The DEA could not provide training or help develop programs to suppress illicit drug production and trafficking. The SLORC honored their commitment and held elections on 27 May 1990, but had underestimated Aung Sang Suu Kyi’s party which won the election, with the SLORC only receiving a very small amount of votes. The SLORC refused to accept the results of the elections, and arrested Aung Sang Suu Kyi and locked up the rest of the NLD leaders as well. The SLORC had made matters worse for Burma. International sanctions increased problems in Burma and allowed the drug business to flourish. Aung Sang Suu Kyi and other political prisoners remain imprisoned today.

The fall of the CPB and the continued rise of the drug trade

The fall of the CPB

After the CPB lost financial support from China, it began to lose power. The CPB was able to get by financially on the drug trade, but loss of China’s backing was an ideological matter as well. As the CPB became heavily involved in the drug trade in the 1980s,
it lost its ideological focus, and began cooperating with Khun Sa and his powerful Mong Tai Army.

With the cooperation of Khun Sa and the CPB, and with United States funding out of the picture thanks to the corrupt human right abusing SLORC, the drug business was good in the Shan State. In addition to the skyrocketing production of opium and heroin, Amphetamine Type Stimulants (ATS) were also beginning to be popular by the end of the 1980s. In March 1989, Pheng Jia Xin, a Wa Army commander in Kokang, led a coup against the CPB. The remaining CPB leaders fled to China and did not return. The CPB had collapsed rather suddenly. This was good news for the Cold War advocates, but bad news for the drug war.

**CPB military forces divide into independent drug armies**

The CPB could now focus entirely on drug trafficking without any complication of politics and ideology. During the same period, the SLORC started another home guard unit to attack insurgents. The new unit was called the Pyi Thu Sit (People's Militia). The rules were the same as for the KKY. The Pyi Thu Sit agreed to attack ethnic insurgents and in return was free to traffic drugs with the approved of the SLORC. Plenty of well-trained soldiers were now free to join the new home guard drug army.

The rest of the former CPB army split into various factions. The New Democratic Army (NDA) formed in the northern part of the Shan State. The Myanmar National Democratic Alliance Army (MNDAA) formed in the Kokang area. The National Democratic Alliance Military and Local Administration Committee took control north of Kengtung in the eastern Shan State. The United Wa State Army (UWSA) set up along the Thai border. All of these new armies became heavily involved in the drug trade; however, the UWSA proved to be the most powerful group and would soon surpass the level of drug trafficking that occurred under Khun Sa. International support and funding was now gone and poverty and corruption had increased in Burma. By the end of the 1980s, these factors were a dream-come-true for drug lords.

**Ceasefire agreements**

Shortly after the collapse of the CPB, the SLORC decided that
The best policy was to negotiate ceasefire agreements with the ethnic armies. The ceasefire would guarantee autonomy and would allow the ethnic insurgents and the drug armies to maintain their armies and continue drug trafficking. The agreements varied according to each area. The UWSA was the strongest group, so they were able to gain the most autonomy and were able to traffic illicit drugs with virtually no interference from the Burmese authorities.

By the end of 1989, most groups had concluded ceasefire agreements. “The actions of the Burmese Army, which indicate a belief that narcotics problems are less serious than ethnic rebellion, have shown signs of playing off the drug dealers while trying to put the Karens and other such rebels out of commission. This policy has given rise to fears that the SLORC is actually abetting the drug traffic” (Renard, 1996: 72). The government brought back the ex-drug lord Lo Hsing Han to help negotiate the ceasefire agreements. In exchange, Lo Hsing Han was also allowed to get back into the drug trafficking business with the SLORC's approval. These groups were now able to traffic drugs without having to fund an insurgency.

After the ceasefire agreements, drug production continued to increase. Burma became the number one producer of opium in the world and the major producer of ATS in Asia. Heroin refineries increased and ATS was produced in the same refineries. Chinese drug gangs moved into the Shan State and facilitated the increased international drug smuggling. With the help of the Chinese, new drug routes opened in China. As the new drug routes opened in China, the profit of Khun Sa decreased. Khun Sa's army also was involved in battles with the UWSA for control of drug profits. Khun Sa was now wanted by the United States, as an indictment for his arrest was issued in 1990.

**UWSA rise in power and Khun Sa's decline**

The UWSA battles against Khun Sa were initiated with the backing of the SLORC. Under international pressure, the SLORC agreed to suppress the activities of Khun Sa. The SLORC made a deal with the UWSA. The UWSA would be allowed to traffic drug, if they attacked Khun Sa. Once again, the Burmese military junta deployed the principle of playing one side against the other in
exchange for drug trafficking rights. Of course the UWSA agreed, since they could gain power in the drug trade and have the official backing of the SLORC.

With the massive increase of drug production in the 1990s, new smuggling routes were needed. Thailand still remained a primary route, but drug trafficking through Thailand’s northern border was becoming more difficult as Thai security measures increased. Another primary route opened up through China. This was easy, since the new drug armies and other ex-CPB members had connections with the border authorities in China. Secondary routes opened up through Laos, India, and Bangladesh, and through sea ports and by air from Burma.

The China land smuggling route became quite popular as a first step to the United States, often using containerized cargo.

One of the many ways SEA heroin traffickers smuggle bulk quantities of SEA heroin to international markets is by use of commercial containerized cargo. Heroin processed in the Golden Triangle (Burma, Laos, and Thailand) is smuggled overland to seaports in Burma, China, Thailand, Malaysia, and Vietnam for transshipment within containerized cargo through Taiwan, Hong Kong, Singapore, Japan, and Korea. From these transit countries in Southeast Asia, the heroin laden containers are shipped to consumer markets in Europe, Australia, Canada, and the United States. (United States Drug Enforcement Administration, 2001).

Drugs also began being shipped by boat along the Mekong River through Cambodia and Vietnam. All these drug routes were also later used as human trafficking routes, as the economic situation in Burma drove Burmese citizens out of the country looking for a better life.

Burma made a few international political moves to suppress drug trafficking in the 1990s. In 1991 Burma acceded to the UN Convention on Narcotics Drugs and Psychotropic Substances, but with the conditions that Burma would not submit to the World Court and that Burmese citizens could not be extradited. In 1991, the UN funded a border development on the China and Thailand borders. In 1992, Burma starting working with China and Thailand to develop joint drug suppression strategies. Domestic drug use began to increase in Burma and HIV AIDS began to become a
The narcotics problem in Burma

serious problem among intravenous drug users. The Burmese government did not have an effective drug treatment program, so the problem continued to increase.

Khun Sa surrenders

In 1996, Khun Sa along with his Mong Tai Army surrendered to the SLORC authorities. The United States requested that Khun Sa be extradited for trial in the United States. Of course, this request was denied. Since Khun Sa was not extradited, the United States wanted him punished for his crimes but the Burmese government did not punish Khun Sa at all. Instead they made a deal. In exchange for leaving the drug trade, Khun Sa was allowed to launder his drug money into the legitimate Burmese economy. Khun Sa became one of the richest businessmen in Burma and built roads and infrastructure, which were suspected of facilitating the drug trade.

The United States claimed that Burma violated the 1988 UN Convention which the Burmese government signed. Under this convention, the Burmese government is obligated to prosecute drug traffickers. Khun Sa was never prosecuted but treated with respect. The surrender of Khun Sa made no dent in the drug trade. “Following the surrender of Khun Sa, the Kokang, Wa, and Essa area in particular became drug trafficking havens where opium was produced and refined with relative impunity” (United States Department of State, 1997). Remnants of Khun Sa’s Mong Tai Army became independent ATS smugglers. Others joined Colonel Yawd Serk’s new Shan State Army South (SSA-S). Yawd Serk was formally with SURA. The SSA-S and the Karen are the only two groups that continue to uphold ceasefire agreement with the central government. After the surrender of Khun Sa, the UWSA moved in to control the drug trade in Burma.

UWSA gains control of the drug trade

The UWSA became and remains the most powerful drug army in Burma. The other major groups that gained power were the MNDA in Kokang, the Eastern Shan State Army (ESSA), the SSA-S or SURA, Monka Defense Army, and the Kachin Defense Army. In 1997, the SLORC changed its name to the State Peace
and Development Council (SPDC). Despite the name change, the regime remained under the rule of the same corrupt junta that had run the country since 1962.

Under the ceasefire agreements, the ethnic armies were supposed to abandon the drug trade. “While several areas are reportedly opium-free, these same ethnic groups continued to traffic in heroin and methamphetamine” (United States Drug Enforcement Administration, 2002). By 1999, the ESSA area and the Kachin area were declared to be opium-free. These regions were never really major opium producing areas. The leaders of these armies were suspected of remaining involved at some level with drug trafficking.

The UN Officer of Drugs and Crime began the Wa development project (WADP) in the Wa region in 1998. The United States funded the project for several years, until the UWSA made death threats on DEA agents’ lives. The UWSA proclaimed an opium ban to be effective in 2005. The UWSA, relocated hill tribes to lowland areas to give farmers better land. Many feel that the UWSA was attempting to control certain areas to increase their control of the drug trade. Several of these relocated farmers probably ended up working in heroin and ATS refineries, which are usually located together. Many feel that the UWSA is eager to give up opium production, since ATS is more profitable and easier to produce and transport. After 1996, opium production began to decline and ATS continued to increase. ATS flooded into Thailand and becoming a serious concern for the Thai government, as well as the international community.

Amphetamine Type Stimulants

The rise of ATS in Burma

Amphetamine Type Stimulants (ATS) began being produced in the 1980s and reached peak popularity in less than a decade. ATS is a broad classification for various types of methamphetamines.

The most common Southeast Asian pill is ya ba, which is a Thai phrase meaning “crazy drug.” Ice or crystal methamphetamine originated in China, but with the new cooperation with Chinese syndicates, all types of ATS are now being produced and trafficked
from Burma. ATS has many advantages compared to opium. ATS is cheaper to produce, very little labor is involved, it has no distinctive smell, transportation is more convenient, the market is larger, it is harder to detect and interdict, and it is not dependent on the environment.

ATS differs from opium in many ways. At the lowest level of opium production, poor farmers are just trying to make a living to buy food. ATS usually involves powerful drug gangs and wealthy businessmen. While opium has to be grown high in the mountains and be transported to the market, ATS is made in small mobile labs close to areas in which it is marketed. This mobility makes it hard for officials to detect. ATS pills are light and compact, therefore they are easy to smuggle and traffic. While opium can be affected by a drought and has a growing season, the ATS season is year round and not dependent upon weather.

Heroin is mainly used by the middle class and is viewed as a dangerous drug. ATS is relatively affordable, thus widely popular. When ATS first spread in Southeast Asia, it was not even seen as a drug. *Ya ba* was first used by students, truck drivers, taxi drivers, farmers, partying youth, and other groups. While ATS began in Asia, it was not long before it became popular globally.

United States authorities began finding ATS from Southeast Asia in the United States within several years of its initial popularity in Asia. “There have also been shipments of methamphetamine tablets to ethnic Hmong and Yao individuals in the Sacramento, California area. However, the amount of Burma-produced tablets being shipped to the United States is currently unknown” (United States Drug Enforcement Administration, 2003). ATS is such a new threat to the United States that authorities still do not know exactly which drug gangs are involved. Since the shipments are harder to detect, the amount of ATS in the United States may be greater than currently estimated.

**ATS production and trafficking**

The chemicals for ATS production, ephedrine and pseudoephedrine, are not produced in Burma, but are easy to come by and are smuggled mainly from China and India. Most recently, smaller amounts from Thailand have been smuggled into
Burma. Ethnic Chin groups are largely responsible for trafficking precursor chemicals from the Indian border for sale to the UWSA. “Acetic anhydride, an essential chemical in the production of heroin, and ephedrine, the principal chemical ingredient of methamphetamine, are trafficked from China, India, and Thailand” (United States Department of State, 2002). So far, ATS producers in Burma, have not had any problems sourcing these chemicals. Chemical diversion laws have been passed to control these chemicals.

The drug gangs responsible for ATS production and trafficking are mostly linked to ethnic Chinese drug syndicates. Within Burma, the UWSA is the major ATS producer. Wei Xue Gang, one of the UWSA’s top commanders, is a well known drug trafficker in both heroin and now ATS. Wei and his brother are largely responsible for the ATS boom. “Several of the ethnic trafficking armies, especially the Wa, also control amphetamine production labs and extensive trafficking operations, raising questions whether the gradual departure from opium cultivation is not just a business decision to concentrate on ATS. These ATS operations remain largely intact and are a major factor in amphetamine trafficking in Southeast Asia and beyond” (United States Department of State, 2004). Today, an estimated eighty percent of ATS production in Burma is controlled by the UWSA.

**Decreased interest in heroin and increased interest in ATS**

In 2005, the UWSA declared opium illegal, and production decreased, but ATS production continued to increase. UWSA was willing to give up opium since ATS is more profitable. The United States government issued an indictment for Wei Xue Gang and seven other UWSA leaders in 2005. Farmers, who were once employed in opium production, are often given money to store ATS on their land and some become ATS smugglers.

ATS is a new challenge to authorities, because little is known about the ATS business. ATS is a new type of drug and does not follow the same rules and patterns as opium and heroin. It is difficult for developed nations to stop the ATS trade, but is even more difficult for Burma, especially without international assistance and funding. In 2005, ice or crystal methamphetamine began
being produced and trafficked from Burma. This suggests increased cooperation from ethnic Chinese gangs. A United States Department of State International Narcotics Report suggested that the Golden Triangle will soon be referred to as the “Ice Triangle.” ATS is making more money for traffickers than they could ever have dreamed of with opium and heroin.

Burma’s post-ceasefire drug suppression efforts

Burma’s post-ceasefire actions to combat drugs

Burma has made some progress in drug suppression. The Central Committee for Drug Abuse Control (CCDAC) is the primary drug enforcement agency for the government. The CCDAC falls under the command of the Directorate of Defense Service Intelligence (DDSI). The CCDAC is a combined force of police and military personnel. The CCDAC has twenty-seven drug enforcement task forces throughout Burma. The CCDAC is continually challenged by under funding, just like most government and private agencies in Burma. The CCDAC has seized drugs but only in small quantities compared to production and trafficking levels. The seizures hardly make a dent in the drug trade.

The government of Burma has initiated development projects, but the projects are not well funded, and therefore ineffective. The central government expects the ethnic minorities to fund their own projects, but they do not want to fund projects that will decrease their drug profits. The ongoing development efforts fall under the 1990 Master Plan for Development of Border Areas and National Races. This plan is ongoing and the lack of development is also ongoing. The UN has funded the UNDCP Wa development project since the 1990s and has built roads and schools. The work of the Wa project has not shown any noticeable results.

Post-ceasefire cooperation with the international community

Since 2003, the United States has directly funded a small development project in the northeastern Shan State called “Project Old Soldier.” Burma’s official policy is to have a drug-free Burma by the year 2014. The Association of Southeast Asian Nations (ASEAN) policy is to have a drug-free Southeast Asia by 2015.
Burma is obviously the main obstacle to a drug-free Southeast Asia, and the timelines are not realistic at all.

The Burmese government cooperated with the United States in conducting joint opium surveys from 1993 until 2004. Since 2005, the Burmese government has refused to cooperate in joint opium surveys. The United Nations Office of Drugs and Crime (UNODC) has conducted opium surveys as well as satellite imagery. Opium production in Burma has declined substantially since 1996. Part of this has been due to drought. Even so, Burma is still the number two producer in the world.


All of the ethnic areas are now officially “opium free” but the opium problem still exists. 2005 was a big year for Burmese drug enforcement efforts. With the help of the DEA, the CCDAC made several big seizures. 2005, also marked an increased trend of trafficking by air and sea routes. In 2007, Laos and India became major trafficking routes in addition to China and Thailand. Previously Laos and India were secondary routes. Drug production and trafficking continued to rise in 2008.

Burma’s post-ceasefire challenges

The drug problem continues to increase

Since the ceasefire agreement, illicit drug production has increased. Under the agreement, the Burmese government has little control of the ethnic areas and the ethnic areas continue to host large and well trained armies. The Burmese government is often accused of not really wanting to suppress drugs because drug money
funds the Burmese economy. “There is reason to believe that money laundering in Burma and the return of narcotics profits laundered elsewhere is a significant factor in the overall Burmese economy, through the extent is impossible to measure accurately. Political and economic constraints on legal capital inflows magnify the importance of narcotics derived fund in the economy” (United States Department of State, 1998). Drug money has been reinvested into legitimate business in Burma.

Burma is also facing a domestic drug problem, which has spread HIV AIDS throughout the country. Burma faces budget problems that prevent full development of drug suppression programs and treatment programs for drug addicts. The remoteness of areas where drug armies operate is also a challenge.

Corruption

Official corruption is a major issue in Burma. Burma has failed to prosecute high level corruption. The Burmese Army is notorious for being corrupt. “Burma does not have a legislature or effective constitution; and has no laws on record specifically related to corruption. While there is little evidence that senior officials in the Burmese Government are involved in the drug trade, there are credible indications that mid and lower level military leaders and government officials, particularly those posted in border and drug producing areas, are closely involved in facilitating the drug trade” (United States Department of State, 2008). The Burmese government has not done much to increase the well-being of its citizens who will continue to be tempted by the drug trade and corrupt activities.

Lack of alternative options for farmers

Farmers often grow opium out of necessity. If the government of Burma wants to stop opium growing, they need to provide a suitable alternative for farmers to make income and feed their families. “Burma has not provided most opium farmers with access to alternative development opportunities” (United States Department of State, 2008). Lack of a suitable health care system leads to use of opium as a traditional medicine. With the lack of alternative development opportunities and the increased demand
for opium and heroin, these farmers will continue to grow opium out of necessity.

With the increased price of opium, some find opium growing even more attractive. The results of the 2002 Kokang opium ban were catastrophic: a severe food shortage spread and 80 percent of children dropped out of school; massive groups simply migrated to the Wa region, where opium growing was still legal. This example indicates the importance of providing suitable alternatives for opium growers.

Continued insurgency financed by drugs

Burma is still not at peace. Most groups have simply agreed to a ceasefire, which is not to be confused with a peace agreement. An aggressive stance on drug enforcement could trigger renewed conflict. Two rebel army groups, the Shan State Army—South or SURA and the Karens, are still fighting with the central Burmese government. It is against the Karens' Christianity to traffic drugs, but SURA is still using drug trafficking to finance its insurgency. Burma needs to unite the country under peaceful conditions before the drug war can end.

Conclusion

The drug problem in Burma is a serious issue that affects not only Burma but most of world. The drug problem in Burma leads to security concerns for Southeast Asian nations, the United States, and several countries around the world. Opium has been reduced in Burma, only to be replaced with the even more marketable and more dangerous ATS.

Burma needs international assistance and foreign aid to solve the root causes that lead to drug trafficking. Burma is one of the least developed nations in the world. Poverty and lack of legitimate opportunities only lead to increased drug trafficking. The actions of the Burmese military junta have continued to cut off international support for Burma. Without international support and programs that will provide alternative income sources for an impoverished nation, narcotics and crime will continue to flood the streets of the United States and other communities around the globe.
Bibliography


United States Drug Enforcement Agency. *Southeast Asian Heroin Smuggling Methods: Containerized Cargo*. Drug Intelligence