Mong La: Business as Usual in the China-Myanmar Borderlands

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The aim of this project is to lay the conceptual groundwork for a new understanding of the positionality of remote areas around the globe. It rests on the hypothesis that remoteness and connectivity are not independent features but co-constitute each other in particular ways. In the context of this project, Rippa and Saxer conducted exploratory fieldwork together in 2015 along the China-Myanmar border. This collaborative photo essay is one result of their research. They aim to convey an image of Mong La that goes beyond its usual depiction as a place of vice and unruliness, presenting it, instead, as the outcome of a particular China-inspired vision of development.

Infamous Mong La

It is 6:00 P.M. at the main market of Mong La, the largest town in the small autonomous strip of land on the Chinese border formally known in Myanmar as Special Region 4. A gambler from China’s northern Heilongjiang Province just woke up from a nap. “I’ve been gambling all morning,” he says, “but after a few hours it is better to stop. To rest your brain.” He will go back to the casino after dinner, as he did for the entire month he spent in Mong La. Like him, hundreds of gamblers crowd the market, where open-air restaurants offer food from all over China.

A small section of the market is dedicated to Mong La’s most infamous commodity—wildlife. Tiger paws and skins (many of them fake) and pangolin scales are widely available. Otters and softshell turtles suffer from the heat in little cages, waiting to end up as someone’s dinner. The wildlife trade in Mong La has grown over the last decade, particularly with regard to tigers and other wildcats (Nijman and Shepherd 2015), a testimony to China’s ongoing role in the global market for endangered species.
Wildlife and gambling, in Mong La as elsewhere in the borderlands of China and Southeast Asia, go hand-in-hand with prostitution, the other main ingredient of the city’s economic success and popularity. Rare animal parts are believed to offer health benefits, and many are considered aphrodisiacs. An entire corner of the main market is occupied by a series of brothels, where young girls wave to customers driving by in expensive cars. Most brothels advertise girls as young as fifteen. Alessandro briefly chats with one of them, and she tells him that she arrived from Chongqing a couple of months ago. She complains that she is very busy, with about five clients every day. However, with a standard rate of 300 renminbi (about US$48) per client, she is making good money.

The casinos are not in Mong La itself, but a twenty-minute drive south of town, where a thriving cluster of a dozen casinos has emerged over the last few years. Two more large facilities are currently under construction. Surrounded by Greek columns and golden statues, all the casinos are extremely busy. Buses from Mong La and Daluo, right across the border, bring a steady stream of Chinese gamblers at all hours. There are no hotels here, but the casinos all have fleets of cars to shuttle customers back and forth.

Inside the casinos, most tables are full, and the air is thick with cigarette smoke. Despite signs prohibiting Chinese nationals from entering the casinos—a concession to the legal ambivalences involved—the clientele is exclusively Chinese. Some travel here alone, others in large groups, and it is not rare to see entire families gambling around the tables. Outside, gamblers move between different casinos, and a little army of casino attendants enjoys a short break drinking fruit-flavored milk.

Myanmar’s sin city, Burma’s wild east, the Tijuana of China, Myanmar’s lawless region, Burma’s city of light. These are the ways Mong La is often described by Western media. However, Mong La is far from being solely a place of anarchy, vice, and depravation. Although gambling and prostitution are the topics that generally make headlines, the truly remarkable thing about Mong La is what makes it work: a complex system of alliances in which everybody seems to have a share. In fact, if much of what happens in Mong La is illegal, even a short visit to the area shows that the region is run according to well-established mechanisms. Far from being simply another wild frontier, Mong La seems to function through structured and rather formal networks.
In many ways, Mong La represents a “successful” outcome of decades of Chinese engagement with Myanmar’s border regions: Chinese-style development based on infrastructure construction, resource exploitation, and close ties with the People’s Republic. In this sense, Mong La can even be seen as an example of China’s vision for the future of Myanmar’s border regions. Before developing this argument further, a brief outline of Mong La’s history and key players is necessary.

**Lin Mingxian**

The man behind Mong La’s success is a Chinese named Lin Mingxian, also known as Sai Lin. Lin’s story is intriguing. Born in Panghsai, where the Burma road crosses the China-Myanmar border, he became a Red Guard after the launch of the Cultural Revolution in 1966. In 1968, still in his teens, he joined numerous other volunteers fighting alongside the Communist Party of Burma (CPB). An able fighter, Lin rose to the rank of commander of the CPB’s “815 War Zone” in the eastern Shan State, today’s Mong La area (Lintner 1994).

With the breakup of the CPB in 1989, Lin established a splinter faction—his own army, known as the National Democracy Alliance Army (NDAA). This army is largely formed of ethnic Shan and Akha. Soon after its formation, the NDAA signed a ceasefire with the Burmese government, led then by military intelligence chief Lieutenant-General Khin Nyunt. This ceasefire agreement gave Lin a large degree of local autonomy over his territory in exchange for the promise not to attack government forces.

Aside from his role in the CPB, Lin is said to have entered the drug trade in the mid-1980s, closely cooperating with former CPB commanders of nearby Kokang. With the ceasefire, Special Region 4 became a major opium-producing and heroin-refining hub, garnering Lin and other local warlords massive profits. By 1992, Lin was heading the “best organised drug syndicate in northern Burma” (Lintner 1994, 325) and was able to open a new trafficking route to Cambodia and Laos, where he had a wide network of contacts from his former life as a guerrilla commander. Initially built on drug money, several casinos appeared in Mong La in the 1990s.

In 1997, however, Lin declared his territory opium free, a success that was later recognized by the U.S. State Department. Today, this accomplishment is celebrated in a run-
down museum in Mong La, where the story of opium eradication is told through objects, photographs, and text panels. Many observers, however, remain skeptical, suggesting that although the cultivation of opium might well have stopped, Special Region 4 remains a major transit route for heroin and methamphetamine out of the Golden Triangle.

**Powerful Friends**

Several players besides the Burmese and the Chinese government seem to have contributed to Mong La’s current success. The NDAA is close to other armed rebel groups that split from the CPB, particularly the Myanmar Nationalities Democratic Alliance Army (MNDAA) and the United Wa State Army (UWSA).

The MNDAA was formed in 1989 by Pheung Kya-shin (Peng Jiasheng), the former commander of the CPB’s forces in Kokang. Like Lin and his NDAA, Peng’s army soon entered a ceasefire agreement with the Burmese government and was given control over its own Kokang territory—the “Special Region 1.” Peng, too, had established himself in the drug trade well before 1989 and was already one of the major traffickers in the area by the time of the ceasefire.

Peng was also close to Khin Nyunt, the leader of the Burmese military government. In the late 1990s, he declared his ambition to end the opium trade. While Lin was receiving U.S. congressmen and politicians as visitors in Mong La (Martov 2014), Peng looked to Japan. In late 1999, Peng received Koichi Kato, the former secretary-general of the Japanese Liberal Democratic Party. Kato and Khin Nyunt flew by helicopter to Laukkai, where they met Peng and supposedly inspected a Japanese government–funded project to encourage local farmers to replace poppies with buckwheat. According to this plan, the buckwheat would be exported to Japan to make soba noodles (Seekins 1999).

But Lin and Peng have even more in common. Lin married Peng’s daughter, thus strengthening the ties between the two leaders’ groups. Lin and Peng, it could be argued, were doing exactly what other warlords had done for centuries: cementing their military and business alliances through marriage. It could also be argued that there was an important ethnic element in the marriage of Lin and Peng’s daughter. Lin, a Sino-Shan from the China-Myanmar border, was strengthening his relations with Kokang Chinese in northern Myanmar and in Mong La itself, thus creating a multi-ethnic—yet strictly non-Burmese—power base in the region.
Within Myanmar, the NDAA’s most powerful ally remains the United Wa State Army (UWSA)—with 20,000 armed men, the largest of Myanmar’s militarized ethnic groups and one of the biggest narcotics-trafficking militias in the country. The UWSA’s territory borders Special Region 4 to the northwest, and its leadership maintains close ties with Lin. Notably, the UWSA is backed by China, as was recently reaffirmed by the army’s latest purchase of Chinese helicopters, armored vehicles, and anti-aircraft defense systems (Davis 2015).

A Troubled History

Mong La’s success is thus based on a network of gamblers, smugglers, ex-communists, rebel army leaders, and drug lords. Their connections are not limited to the borderlands of Yunnan and Myanmar but run as far as Yangon, Singapore, Tokyo, Washington D.C., Macau, and Beijing. Yet it is through Lin Mingxian’s close ties with Mong La’s neighbors—namely Kokang, the UWSA, and China—that Lin managed to rule over Special Region 4 for almost three decades.

It was not always smooth sailing for Lin Mingxian, however. In September 2003 the Chinese cracked down on Mong La’s casinos, allegedly after the daughter of a high-ranking official lost millions of renminbi (Xia 2003). In January 2005, alarmed by continuous reports of corrupt officials gambling with public money, the Chinese government sent a small number of troops to shut down the casinos. In response, Lin invested in the growing online gambling industry (Black and Fields, 2006). Within a year, he was building new casino facilities ten miles south of town. Today, all casinos are equipped with satellite dishes—a direct response to China’s attempt to limit Internet gambling by cutting cell phone service to the area in 2012. Lin also ordered the construction of a power plant in order to gain independence from the Chinese grid.

Meanwhile, Peng, Lin’s father-in-law in nearby Kokang, had to flee after an offensive of the Myanmar Army (Tatmadaw) in August 2009. He was replaced by another local officer, Bai Suoqian. This “Kokang incident” was the result of the Myanmar government’s pressure to transform the MNDAA into a “Border Guard Force” under the control of the Myanmar Army. The conflict in Kokang took another violent turn in February 2015, after six years of relative calm, with a new campaign launched by the MNDAA against the Myanmar Army, trying to retake the Kokang area. Although China has strongly denied any involvement in the conflict,
most of the MNDA’s weapons were supplied by the UWSA. Peng, Kokang’s ousted leader, has been living in China since 2009, even releasing an interview to the Chinese newspaper *Global Times* that corroborates Beijing’s version of the story (Reuters 2015). As recently reported by veteran journalist and Myanmar expert Bertil Lintner, “According to one well-placed source, China is indirectly ‘teaching the Myanmar government a lesson in Kokang: move too much to the West, and this can happen’” (Lintner 2015).

The Tatmadaw offensive in 2009 had repercussions in Mong La as well: in order to avert a similar fate, Lin’s ally, the UWSA, stationed more than one thousand troops in the Mong La area. For the UWSA, Mong La remains a key smuggling route into northern Laos, as well as a strategic bulwark against possible encirclement from the Burmese army. Once again, it is difficult not to see China’s support behind this move.

However, despite all of this, Mong La has remained comparatively stable and prosperous since 1989. Its relationship with the Burmese government, although not always smooth, has never led to large-scale conflict. Since the 1989 ceasefire, the central government has attempted to transform the NDAA into a Border Guard Force, but it has never managed to undermine Mong La’s autonomy. A 2011 agreement confirmed most of the terms that were originally laid down in the ceasefire, such as the presence of liaison offices on both sides, a commitment to avoid hostilities, formal recognition of Mong La’s status as part of the Union of Myanmar, and cooperation in strategic sectors such as tourism, education, mining, electricity, and the eradication of drugs (Keenan 2012). As a result, the small town now has better roads, houses, and facilities than most other places in Myanmar. Compared to nearby regions such as Wa, Kokang, and Shan State, Mong La has remained peaceful and relatively safe.

Visiting Mong La from Myanmar requires a special “visa” that is easily obtainable in the town of Kengtung in government-controlled Shan State, about four hours away. Foreign nationals must leave their passports at the local Myanmar immigration office; in exchange, they receive a piece of paper stating the traveler’s name and passport number. This “visa” must then be stamped at the main checkpoints along the way, before and after entering Special Region 4. The document is handed over to the Mong La branch of the Myanmar immigration office in Mong La and eventually collected before the visitor leaves town. An entry fee is also required. Thus, despite media reports of secretive motorbike rides in the jungle at dawn and a general sense of lawlessness (Jacobs 2014), Mong La is accessible through an orderly and rather
smooth—if a bit time-consuming—process, in which Burmese and Special Region 4 authorities work hand-in-hand.

**China and Mong La**

Of all Lin’s strategic relationships, the most important is with nearby Yunnan. Despite officially being part of Myanmar, Mong La runs on Beijing time, the only currency accepted is the Chinese renminbi, and the only phone network available is China Mobile. Mandarin is spoken throughout the whole Special Region, and most workers and business owners are from Yunnan.

During his visit to Mong La, Alessandro met several Chinese who had only recently arrived in Mong La. One was a young Yunnanese guy who had moved to Mong La a couple of years earlier to join Lin’s NDAA. He was now patrolling the night market in his uniform. Another Yunnanese had just opened a small restaurant in front of one of Mong La’s many brothels. He wanted Alessandro, his first customer, to try out several of the dishes his wife was preparing, pinning all of his hopes on this new endeavor. “Here is not as good as Yunnan,” he said, “but business is fine. At least, I hope so.”

Many other, and wealthier, Chinese have invested in Mong La’s most profitable enterprise: casinos. One curious (and yet in many ways typical) example is that of Zhao Wei, a businessman from northern China with prior experience in Macau. Zhao opened the Nan Dun casino in Mong La in 2000. Later, he exported the Mong La model to Laos, where he established his own Kings Romans casino in the Golden Triangle Special Economic Zone (SEZ) (Howe 2013). Like Mong La, Laos’s SEZ was built for Chinese gamblers, the currency used is the Chinese renminbi, and the spoken language is Mandarin. The similarities extend to the “branding” of local minorities for touristic purposes: while an Akha festival is regularly celebrated in Mong La, in the Golden Triangle SEZ the yearly Kapok festival hosts dance performances from Laos, Thailand, Myanmar, and China. And like Mong La, the Golden Triangle SEZ has become another bustling hub for trade in endangered wildlife (Environmental Investigation Agency 2015). However, it seems that Zhao, who closed his Mong La casino in 2007, does not want to draw too much attention to his connection with Lin Mingxian. In a 2001 interview, Zhao stated that his company had nothing to do with the United Wa State Army and Special Region 4 (Fawthrop 2011).
To think of Chinese business interests in Mong La as purely concerned with gambling, however, would be a mistake. In an area controlled by the NDAA near the villages of Wan Saw and Wan Pha, an estimated one thousand Chinese miners work in a Chinese-owned manganese mine. A 2005 survey estimated that China imported 34,000 tons of rock from the mining site each year (Lahu National 2006). Even more important are the Chinese-owned banana and rubber plantations that have radically transformed the landscape of Special Region 4. Although it is difficult to estimate the actual revenues derived from Chinese agribusiness, it is safe to say that rubber and bananas play an increasingly significant part in Mong La’s economy. To be sure, rubber and other monocrop plantations have become ubiquitous in other areas along the Chinese border, namely in Wa and Kokang, where local authorities have promoted Chinese investment in this sector. These projects, however, are not sustainable and do not benefit the local population; on the contrary, they negatively affect food security and access to health care and education in the region (Kramer 2009). In Myanmar, as in northern Laos, many of the plantations were introduced thanks to China’s Opium Replacement Program, which has often been accused of favoring Chinese companies (Lu 2015) while doing little to actually offer sustainable alternatives to local farmers.

By comparison, the case of Mong La looks more positive. Lin appears genuinely concerned about the happiness of local ethnic groups. He organizes festivals and supports various cultural activities for Shan and Akha groups. In this regard, he seems to have learned his lesson from the collapse of the CPB, whose almost entirely Burmese leadership was often antagonized by the ethnic ranks of the group. Furthermore, the casinos offer comparatively well-paying jobs to the multilingual young people of the region. A young Mandarin-speaking woman earns around US$300 per month as a casino employee. Lin remains loved by the population of Special Region 4. According to a local woman who owns a small business in Mong La, “things are actually going better and better.”

A brief tour of town seems to confirm this impression of prosperity and peacefulness. A large hotel complex is almost finished in the northern part of town, while a few other establishments are under construction at its southern end. The main road to the casinos is currently being upgraded. A few Chinese gamblers Alessandro met in one of the casinos told him that they were thinking of buying a flat in Mong La, given the low prices and the “good quality” of the place. Many others, they added, were considering similar investments. Chinese companies
are, once again, the main developers. Near the border, Chinese trucks with construction materials line up on the road from the People’s Republic. On the outskirts of town, Chinese workers live in ready-made camps and tents. They are all after a share of Mong La’s success.

A Good Story?

China’s interests in Myanmar are manifold. Its influence is based on decades of engagement through various actors both within and outside the government. The relations are complex. Until the breakup of the CPB in 1989, China represented perhaps the main threat to the very existence of the Myanmar government. In the 1990s, on the other hand, as Western countries withdrew assistance and imposed sanctions on Myanmar following the bloody military coup by the State Law and Order Restoration Council, economic ties with China were instrumental for the survival of the regime (Skidmore and Wilson 2008). In recent years, following the various ceasefire agreements, China’s growing economic interests in northern Myanmar have posed renewed issues of sovereignty and, even more urgently, economic and environmental sustainability.

Against this background, Mong La has predominantly been described as yet another lawless frontier, a dangerous place of vice and frontier capitalism. The paradox, however, is that Mong La appears rather as one of the most successful results—if not the most successful result—of decades of Chinese engagement in the region.

In addition to remaining peaceful and more or less stable since the creation of Special Region 4 in 1989, Mong La has also established itself as a safe business environment for Chinese investments—not only in casinos, brothels, and illegal markets, but also in plantations and other regular businesses, from restaurants to hotels and shops. Accordingly, rather than being a wild eastern frontier, Mong La is run according to a well-structured network of contacts and common interests, extending well beyond the Yunnan-Myanmar borderlands. These mechanisms are time tested, and all of their parts seem to work together very well.

Recently, the case of Bao Zhuoxuan showed, once again, the usefulness of this model for the Chinese government. Bao, a sixteen-year-old boy, is the son of human rights lawyer Wang Yu, who was imprisoned in the spring of 2015 as part of China’s most recent crackdown on activist attorneys. Shortly afterward, the boy was sent to stay with his grandparents in Inner Mongolia. In October 2015, under circumstances that remain unclear, Bao made it to Mong La.
with the intention of crossing into Thailand and traveling on to the United States. In Mong La the boy was apprehended at a guesthouse together with two other Chinese nationals and eventually taken back to Inner Mongolia, where he now lives under close surveillance (Rauhala 2015). The case highlights a gray area in China’s relationship with Special Region 4 regarding jurisdiction. Since the early 1990s, as shown by Lintner (2002, 272–273), Lin Mingxian played an important role in smuggling people out of China to Thailand and the United States. This extremely remunerative business, however, must have always occurred under the tacit approval of the Chinese state, or was at least based on specific conditions set on mutually beneficial terms. As shown in this essay, the history of the region suggests that Mong La cannot be considered simply an extension of Chinese power into Myanmar. On certain levels, however, such as the handling of dissidents, China seems to have the power to influence Lin’s decisions according to its own interests. The story of Bao Zhuoxuan is thus not particularly surprising or unique in the context of Mong La. Similar cases have in fact been reported with regard to other casino towns along the China-Laos border, as recently highlighted by anthropologist Pál Nyíri (2012).

To take this point even further, it could be argued that Mong La is not only a case of interwoven interests that have proven themselves more stable and profitable than most of its promoters ever envisioned. Special Region 4 also provides a glimpse at China’s vision for Myanmar’s border regions. It is an area that is strongly dependent on and thus easily manipulated by Beijing or Kunming, with a business-minded local government able to keep all the players in check. The kind of development envisioned for such places is a Chinese-style, infrastructure-based development relying on the exploitation of local natural resources and both local and Chinese labor.

As the recent fight in Kokang exemplifies, China is not ready to give up its foothold inside Myanmar, and rather seems to rely on the MNDAA and the UWSA to protect its commercial interests.

To conclude, it would be misleading to simply identify Mong La as a “good story.” Evidence of money laundering, wildlife trade, and human trafficking are too important not to be considered central parts of the picture. But those activities are not what keeps Mong La together. While Mong La’s existence depends on the ambivalences and uncertainties of the current political situation, it grows and even serves as a model for China’s vision of Myanmar’s development. Whether there are alternatives to this model, and to what extent the Myanmar
government formed in 2016 is willing to change the situation along China’s border, remains to be seen. Meanwhile, Mong La not only survives but thrives—against all odds.

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Note

1 See, for example, Fisher (2014) or Finch (2014).

References


