

Burma's New Government: Prospects for Governance and Peace in Ethnic States

On 30 March 2011, Burma/Myanmar's¹ ruling junta, the State Peace and Development Council, dissolved itself and handed over power to an elected, quasi-civilian government. Than Shwe retired, relinquishing his head of state and commander-in-chief roles, and even his rank – stating that from now on he would be referred to as “U Than Shwe” not “Senior General”.

Most of the international discussion has focussed on whether these changes represent the beginnings of a process of ‘genuine’ democratic transition, or whether this was merely “old wine in a new bottle”. Much of the analysis has focussed on the extent to which Than Shwe will continue to call the shots on major decisions going forward.

There has been less analysis on what is perhaps the most important challenge facing the country: addressing ethnic minority grievances and resolving the multiple, decades-long conflicts. This paper takes an initial look at what the prospects are in this area, two months after the new government took office. Of course, any analysis at this early stage can only be tentative, but there have already been a number of sufficiently important developments – the first sessions of the legislatures, the appointment of standing committees, and the appointment of local governments – to make such an analysis worthwhile.

Two key areas will be assessed: firstly, the composition and functioning of the new governance structures, particularly the decentralized legislative and executive insti-

Conclusions and Recommendations

- Two months after a new government took over the reins of power in Burma, it is too early to make any definitive assessment of the prospects for improved governance and peace in ethnic areas. Initial signs give some reason for optimism, but the difficulty of overcoming sixty years of conflict and strongly-felt grievances and deep suspicions should not be underestimated.
- The economic and geostrategic realities are changing fast, and they will have a fundamental impact – positive and negative – on Burma's borderlands. But unless ethnic communities are able to have much greater say in the governance of their affairs, and begin to see tangible benefits from the massive development projects in their areas, peace and broad-based development will remain elusive.
- The new decentralized governance structures have the potential to make a positive contribution in this regard, but it is unclear if they can evolve into sufficiently powerful and genuinely representative bodies quickly enough to satisfy ethnic nationality aspirations.
- There has been renewed fighting in Shan State, and there are warning signs that more ethnic ceasefires could break down. Negotiations with armed groups and an improved future for long-marginalized ethnic populations is the only way that peace can be achieved.

tutions, and the impact that these could have on the governance of ethnic minority areas; and secondly, the status of the ceasefires and ongoing insurgencies, and the prospects for peace.

POSITIVE INITIAL SIGNALS

One of the first issues that the new President Thein Sein spoke about in his inaugural address to the congress was the ethnic nationality question:

As you know, national brethren remained united in the struggles to liberate the nation from the rule of the colonialists and regained independence. But, in the post-independence period, national races involved in armed conflicts among them-[selves] for about five decades due to dogmatism, sectarian strife and racism instead of rebuilding the nation. In consequence, the people were going through the hell of untold miseries.

He went on to say that “we will give top priority to national unity”.² While it remains to be seen how this will be translated into concrete policy, it is an important recognition of the importance – indeed, the primacy – of the ethnic question.

Subsequently, on 23 April the President chaired a meeting of a high-level committee tasked with overseeing the issue – the Central Committee for Progress of Border

Areas and National Races – saying that his government must “convince the people from the border areas of the government’s goodwill efforts for peace and stability and development so that they can come to cooperate with the Union government and state and region governments with understanding”.³

This is not a new committee: it was formed in 1989, and had until now been chaired by Than Shwe. But the language has shifted noticeably. Compare Thein Sein’s comments above with Than Shwe’s comments to the committee in 2007, where there was no recognition of problems, only talk of success:

*National race armed groups began returning to the legal fold one after another, and they are now carrying out development tasks hand in hand with the government. Thanks to extensive implementation of development tasks, there has been mutual understanding and trust between one national race and another along with stability and peace. ... Border areas are enjoying unprecedented development in all aspects at present.*⁴

However, after decades of conflict, ethnic grievances run deep, and events leading up to the change of government in some cases exacerbated those grievances – including the failure to register ethnic parties in some areas, and pressure on ceasefire groups to

Box 1: Chief Ministers of the States

State	Name and party	
Kachin State	U La John Ngan Hsai [USDP]	Kachin businessman
Kayah State	U Khin Maung Oo [USDP]	Prominent Kayah individual
Kayin State	Brig-Gen Zaw Min [Military legislator]	Ex-Chairman, Kayin State PDC
Chin State	U Hong Ngai [USDP]	Ex-Chairman, Chin State PDC (retd. Brig-Gen)
Mon State	U Ohn Myint [USDP]	Ex-Minister for Mines (retd. Maj-Gen)
Rakhine State	U Hla Maung Tin [USDP]	Retired army Colonel
Shan State	U Aung Myat [USDP]	Retired Lt-Col, Light Infantry Division 66

join the controversial Border Guard Force scheme without any resolution of the underlying political issues. Furthermore, brutal counterinsurgency tactics continue to be used by the military in the ethnic borderlands, meaning that conciliatory language from central government in the Burmese capital of Nay Pyi Taw will be insufficient to convince many citizens and communities of “government goodwill”.

PROSPECTS FOR IMPROVED ETHNIC GOVERNANCE

Under the 2008 Constitution, which came into force on 31 January 2011, certain legislative and executive powers were decentralized to the region/state level. Thus, the seven ethnic-minority states (like the seven Burman-majority regions) now have their own state legislatures and state governments.

These structures are dominated by the government’s Union Solidarity and Development Party (USDP). All of the speakers of the state legislatures are from the USDP, as are the chief ministers, who head up the state executives (with the exception of the Chief Minister for Kayin [Karen] State, who is a military legislator). See boxes 1 and 2 for details. The situation is thus very far from the federal autonomy or self-governance demanded by many ethnic leaders.

Nevertheless, ethnic political parties will have some limited influence over these structures, in the following ways:

1. **Through their seats in the legislatures.** None of the ethnic nationality parties have legislative majorities, but they control sizeable blocs. In three states – Chin, Kayin, Rakhine – the ethnic parties collectively control more seats than the USDP.
2. **Through their membership of legislative standing committees.** Standing committees are appointed to carry out certain

legislative functions, including during the periods when the legislatures themselves are in recess; they mostly include legislators from ethnic parties. (So far, committees that have been established are the Legislative Committees, the National Races Affairs Committees and the Representatives Vetting Committees.)

3. **Through their positions in state governments.** A number of ministerial portfolios in the seven states have been given to legislators from ethnic nationality parties. (A list is provided in box 3 on p. 4.)

Under the constitution, the decentralized powers are rather limited. Nevertheless, they include a number of areas that can have a significant impact on people’s lives: land (including allocation of land and agricultural loans), local business (small business loans and some taxation), cultural promotion, and municipal issues.

How this decentralization process will function in practice remains uncertain. While the division of powers is defined in general terms in the constitution and in legislation, the detailed implementation – and, in particular, how administrative functions will be divided and coordinated between central government ministries and regional governments – has not been worked out in practice. It seems that it will be resolved on a gradual, ad hoc basis, and it could be a source of contestation and

Box 2: Speakers of the State Legislatures

<i>State</i>	<i>Name and party</i>
Kachin State	U Rawan Jone [USDP]
Kayah State	U Kyaw Swe [USDP]
Kayin State	U Saw Aung Kyaw Min [USDP]
Chin State	U Hauk Khin Kham [USDP]
Mon State	U Kyin Pe [USDP]
Rakhine State	U Htein Lin [USDP]
Shan State	U Sai Lone Saing [USDP]

confusion, in the short term.

Confusingly, different regions and states have chosen to establish different – and somewhat idiosyncratic – sets of local government ministries. It is understandable that Kachin State (which has abundant mineral resources and where there is much mining) has a ministry for mines while Chin State does not. It is less obvious why Kachin State has a health ministry but no separate education ministry (it is included in the combined “Education/social and religious affairs/culture” ministry), while Chin and Kayah states have neither (although the responsibility of the social affairs ministries in these states may well extend to health and education). And the creation of a combined “Meat, fish, mines and energy” ministry in Rakhine State appears odd and without precedent.

What is significant, though, is that these local legislatures and governments offer the possibility for ethnic populations to have a much greater say in the governance of their affairs. There are several reasons why decentralization has the *potential* to bring improvements over the previous, highly centralized, system:

1. **Local decision-making.** Some decisions on governance issues will now be taken at a local level, which will be a major change from the highly centralized decision-making of the past. Previously, those decisions that were taken at the local level were made by the regional military commander, who had a military and security focus, and who did not have to explain his decisions to anyone except his military superiors. Now, local governments will have at least some accountability to elected local representatives, through the state/region legislatures.
2. **Influence of local civil and religious leaders.** In a situation where some decision making and power is decentralized, the influence of local non-government authority figures can be enhanced. The

views of figures such as Buddhist abbots, leaders of other religions, and civil society leaders may carry considerable weight locally, but not necessarily at a national government level, something which limited their ability to influence decisions in the past.

3. **The voice of local people.** If decision-making becomes more local, and has greater input from local community leaders, this implies that local people could have a greater voice in governance – directly, through local political leaders, or indirectly, through community leaders. In such a context, service delivery can improve, through improved understanding of local needs, and because accountability is also at that local level.
4. **Resourcing.** Decentralization could lead to greater resources being available in previously-neglected ethnic minority areas. Local governments will be able to raise revenue directly (in the sectors where they have revenue-collecting authority⁵), and will be able to request central government budget allocations. With all Chief Ministers sitting on the Financial Commission, there will be opportunities to lobby for funding, and it will be more difficult than in the past for ethnic minority areas to be neglected.
5. **Political competition.** Local elections will over time create a culture of political competitiveness. This can promote better governance in obvious ways, by giving incentives for politicians to deliver on key areas of concern to the local populace. Governance may therefore shift a little along the continuum from authoritarianism to populism, but it would be naïve to expect such a shift to be sudden or dramatic.

Experiences of decentralization in diverse developing-country contexts in recent years have demonstrated that such a process has the potential to bring positive changes. But this is certainly not to be taken for granted,

Box 3: State Ministers from Ethnic Nationality Parties

<i>State</i>	<i>Ministry</i>	<i>Name and party</i>
1. Kachin	Industry	U Sai Maung Shwe [SNDP]
	Shan National Race Affairs	Daw Khin Pyon Yi [SNDP]
2. Kayah	(none)	
3. Kayin	Transport	U Saw Khin Maung Myint [PSDP]
	Energy	U Min Soe Thein [AMRDP]
	Social Affairs, Education and Health	U Saw Christopher [KPP]
	Forestry	U Saw Kyi Lin [PSDP]
	Mon National Race Affairs	U Nai Chit Oo [AMRDP]
4. Chin	Economics	U Yam Man [CNP]
	Energy, Electric Power, Mines & Forestry	U Kyaw Nyein [CPP]
5. Mon	Energy and Electric Power	U Naing Lawe Aung [AMRDP]
	Social Affairs and Culture	Dr Min Nwe Soe [AMRDP]
6. Rakhine	Industry/Labour/Sports	U Tha Lu Che [RNDP]
	Meat, Fish, Mines and Energy	U Kyaw Thein [RNDP]
	Culture/Social Welfare and Relief	U Aung Than Tin [RNDP]
7. Shan	Industry and Mines	U Sai Aik Paung [SNDP]
	Kayan (Padaung) National Race Affairs	U Lawrence [KNP]
	Intha National Race Affairs	U Win Myint [INDP]
	Wa Area	U Khun Tun Htoo (aka U Tun Lu) [WDP]
	Pao Area	U San Lwin [PNO]
	Palaung Area	U Maung Kyaw (aka U Tun Kyaw) [TNP]

and in a situation like Burma, where there is an entrenched culture of authoritarian (in some cases almost feudal) attitudes to governance, and hierarchical social structures, a considerable degree of caution is warranted.

There are certainly risks that local decision making will impose an inefficient and burdensome additional layer of state bureaucracy, that it will promote the emergence of corrupt or predatory local power holders, and that elections, instead of promoting accountability, will lead to cronyism and vote-buying. Other countries in the region, such as Indonesia and Thailand, experi-

enced a mixture of positive and negative impacts of democratization and decentralization during their transitions from dictatorship to more democratic rule. Burma can expect something similar.

A particular issue in the short term will be capacity constraints. Local officials may not have all the experience and skills needed to take on their new governance responsibilities. Understanding of market economy principles, evidence-based policymaking, and finance and budgetary skills are likely to be particular issues (indeed, constraints in this area exist at the national level also). The situation is similar for the legislative

branch. In ethnic states, nationality parties have some legislative and executive authority, but in many cases are severely lacking in financial and human resources, and in experience of the basics of legislative functioning and democratic and accountable governance.

Given its powerful role, the military has the potential to be a spoiler in such a context, in different ways. First, the army has become accustomed to having full control over all decisions, military and civil, at the local level (just as it did at the national level). It can be anticipated that the new batch of regional commanders will not give up such power easily. Second, military regional commands and individual battalions have built up considerable economic interests. This makes the army a significant economic actor at the local level, raising the prospect both of it using this economic power to promote its political interests, and using its political power in the furtherance of its economic interests.

These are real concerns, and the national armed forces (“*Tatmadaw*”) will certainly remain a very powerful force at local level, just as it will at the national level. But the military’s role will be curtailed somewhat by two important factors.

First is the fact that the new batch of regional commanders are relatively young/junior officers, whereas many chief ministers are powerful former military figures.

In the Burman heartland, this has probably been a deliberate strategy in order to ensure that the military regional commanders are subordinate to the new quasi-civilian structures headed by the chief ministers. Thus, for example, the Region (formerly Division) chief ministers are mostly former lieutenant-generals or major-generals. In the ethnic states, however, the chief ministers do not have the same military credentials (see box 1).

Second is the fact that, according to some reliable sources,⁶ the military has given orders that all “self-reliance” business activities and income-generation schemes by military units must stop, and that only the two official military companies – the Union of Myanmar Economic Holdings Limited (UMEHL) and the Myanmar Economic Corporation (MEC) – may conduct such activities. This would reduce the army’s economic role at a local level.

If true, ending the “self-reliance” strategy is potentially very significant. In the early 1990s, when the military budget was under pressure due to the rapid increase in the size of the army, it introduced a policy of self-reliance, whereby units in the field had to find ways to finance their own operations. This led to all kinds of abusive activities, including forced labour, land confiscation, and ‘informal taxation’. The burden has been particularly heavy in the ethnic borderlands, where many military units are stationed. But for any new policy to alleviate this burden, it is necessary for orders to end self-reliance activities to be accompanied by sufficient additional resources to army units. Otherwise, it will merely lead to different forms of abuse, as units struggle to find new ways to obtain finances, food and support other operational needs. It is unknown whether such additional resources are being made available.

PROSPECTS FOR PEACE

Just as important as improved governance of ethnic nationality areas is the fundamental issue of resolving the decades-long cycles of conflict and violence that have afflicted the borderlands, taking a large human toll and impeding the development of these regions. Can the transition to the new government help to promote peace, or will it merely represent another chapter in the history of the conflict?

Prior to the elections, tensions rose significantly. The military junta put considerable pressure on ceasefire groups to transform

into Border Guard Forces under the command of the *Tatmadaw*. After a series of deadlines passed without agreement by most of the major groups, the junta set a final deadline of 1 September 2010 for all ceasefire groups to transform into Border Guard Forces.

While some groups did make the transformation (including most units of the Democratic Kayin Buddhist Army, the New Democratic Army-Kachin, and the Karenni Nationalities Peoples Liberation Front), most of the larger groups did not – including the United Wa State Army (UWSA), the Kachin Independence Organization (KIO), the National Democratic Alliance Army, the New Mon State Party (NMSP) and part of the Shan State Army-North, which now calls itself Shan State Progress Party/Shan State Army (SSPP/SSA). Following the deadline, the State media began referring to the ceasefire groups who had not transformed as “insurgents”,⁷ raising concerns that the government might take military action against them at some point, as it had done in 2009 against the Kokang ceasefire group.⁸

Tensions had also risen because of the refusal of the election commission to register the main Kachin parties that intended to contest (including the Kachin State Progressive Party in Kachin State and the Northern Shan State Progressive Party in Shan State). Members of these parties who subsequently tried to register as independent candidates were also barred, leaving the Kachin without any distinctive representation in the elections.

A reminder of the reality of ethnic grievances, and the violence that can result, came even on the day of the elections. A Democratic Kayin Buddhist Army (DKBA) leader who was disgruntled at the prospect of transforming into a Border Guard Force (Col. Lah Pwe, also known as “N’kam Mweh” or “Mr. Moustache”), briefly occupied the Burma border town of Myawaddy. The following day, a second border town

further to the south, Pyathonzu (Three Pagoda Pass), was also briefly overrun by renegade DKBA troops. These actions, and the ensuing retaliation from the *Tatmadaw*, caused significant displacement of civilians.⁹

In addition to the military’s strong reaction to the actions by DKBA renegades, there have also been renewed clashes in Shan State, with the *Tatmadaw* attacking SSPP/SSA positions from March 2011. But there were no military moves against other ceasefire groups such as the UWSA, KIO or NMSP, who were also refusing to join the Border Guard Force scheme, but who were not taking any offensive actions. It seems that the military government leadership preferred not to engage in any major military operations when it was at the point of completing its political roadmap and transition to a new generation of leaders.

This interpretation was reinforced by an incident in Kachin State in early February. A *Tatmadaw* battalion entered an area controlled by the KIO, leading to a clash with Kachin soldiers that left the Burma battalion commander dead.¹⁰ The incident could easily have been used to justify an escalation, but instead the government reacted cautiously, apparently determining that its battalion had acted improperly by entering KIO territory unannounced, and took no further action.¹¹

It is too early to tell what the new government’s policy towards the ceasefire and insurgent groups will be, and the extent to which the executive will be able to rein in or determine *Tatmadaw* activities. Initial statements from the new President have been conciliatory, and it seems unlikely that the government is planning to adopt a belligerent stance, at least in the short term.

Neighbouring governments are also worried about the unresolved ethnic and security challenges. The Chinese government, especially, is concerned about the prospect of renewed conflict on its shared border

with Burma, both in terms of border stability, and because of its massive infrastructural investments in Burma. These include several hydroelectric schemes, and an enormous investment in the energy and transport corridor through Burma to the Indian Ocean – which will include twin oil and gas pipelines, a highway, and a high-speed rail link. China has therefore sent clear messages to the ceasefire groups and the Burma government that it would like to see these issues resolved peacefully. This message was reiterated to the new government during the 2 April visit to Nay Pyi Taw by Jia Qinglin, the fourth ranking Chinese leader, to welcome the new Burma government. The safety and security of Chinese citizens in Burma is another concern.

The Thailand government, too, is watching the situation with caution, not only because of the major refugee and migrant worker challenges on its western border, but also because of major Thai investment plans in Burma. In particular, the Dawei Development Project in contested areas of southern Burma is likely to reshape the regional political geography forever, as is discussed further below.

For the moment, President Thein Sein's conciliatory statements have been taken positively by ceasefire groups. The UWSA has welcomed the President's remarks, and reiterated its position, set out in a 26 March statement, that it wished to solve the current disagreements with the government through dialogue.¹² And at a two-day meeting in Yangon in April 2011, five ethnic parties issued a statement saying *inter alia* that peace is the key prerequisite for development in ethnic areas.¹³

However, it is unclear how the current deadlock can be resolved, now that positions on both sides have become entrenched. The major ceasefire groups had grave reservations about the Border Guard Force scheme, which they have rejected, whereas an ultimatum already issued by the

old regime will be hard for the new government to back away from. Agreement from the election commission to register the Kachin State Progressive Party, or allow its senior members to run as independent candidates in the by-elections expected later this year,¹⁴ could go some way to ameliorating the KIO's concerns, but is unlikely to be sufficient. Other kinds of assurance will be needed to convince the Wa to bring their armed forces under government command, and it is hard to see this happening any time soon; fundamentally, they are unhappy with the status of their area under the new constitution.

There are already warning signs that more ethnic ceasefires could break down. In particular, in early 2011 the ceasefire KIO, NMSP and SSA/SSPP resumed relations in the newly-formed United Nationalities Federal Council with the Karen National Union (KNU), Karenni National Progressive Party (KNPP), Chin National Front (CNF) and other non-ceasefire groups. No joint actions have been agreed. But the intention of armed opposition leaders is to prepare for renewed conflict – an eventuality, however, they say that they want to avoid.¹⁵

It is thus equally critical how the new government will deal with the KNU, KNPP, Shan State Army-South and other non-ceasefire groups who continue their longstanding insurgencies. The political and military strength of these groups has been on the decline, but although they now control little fixed territory, they can operate across large swathes of the south-eastern borderlands. The *Tatmadaw's* brutal counterinsurgency strategies, which target not only the armed groups themselves but also the civilian population in the areas they operate in, continue unchanged.

While Thailand is putting increasing pressure on these groups, by denying them safe haven and rear-supply routes (and raising the prospect of closing the refugee camps which provide support bases for the

KNU)¹⁶, and the *Tatmadaw* is limiting their scope of operation, in the end no military action can fully resolve the situation.

Negotiations and an improved future for long-marginalized populations is the only way that peace can be achieved.

Whatever the short-term developments, in the medium term it is probably the changing geostrategic and economic context that will have the biggest impact on Burma's border areas and the prospects for peace. The economic boom experienced by Burma's neighbours (particularly China and Thailand) over the past 20 years meant that the previously isolated border regions ended up adjacent to areas of phenomenal economic growth. This represented a kind of centrifugal force, with these areas being pulled closer to neighbouring economies and away from the centres of power in Burma.

This is a trend that was criticised by President Thein Sein in his comments to the border areas committee, when he noted the tendency of some people in these areas "relying on the other country" and the need for "cultivating the spirit of cherishing their own country and regions".¹⁷ It is indeed possible that the next phase in the economic development of the region – increased economic integration and "connectivity"¹⁸ – will mitigate those centrifugal forces. Many border areas will find themselves no longer merely adjacent to areas of growth, but strategically located on major economic corridors: Dawei to Thailand through Tanintharyi Region; Kyaukpyu to China through Rakhine State, central Burma, and Shan State; Sittwe to India through Rakhine State and Chin State; and the reconstructed Ledo road from China to India across Kachin State.

The size and importance of these projects will ultimately ensure that the continuation of insurgencies in most border areas becomes untenable. But this certainly does not mean that the underlying grievances of ethnic minority populations will be

List of Registered Political Parties Referred to in this Report

- All Mon Regions Democracy Party (AMRDP)
- Chin National Party (CNP)
- Chin Progressive Party (CPP)
- Inn National Development Party (INDP)
- Kayan National Party (KNP)
- Kayin People's Party (KPP)
- Pao National Organization (PNO)
- Phalon-Sawaw [Pwo-Sgaw] Democratic Party (PSDP)
- Rakhine Nationalities Development Party (RNDP)
- Shan Nationalities Democratic Party (SNDP)
- Taaung (Palaung) National Party (TNP)
- Union Solidarity and Development Party (USDP)
- Wa Democratic Party (WDP)

alleviated, or that violence will end in the short term. In fact these developments are likely to build an additional set of new grievances.

A lack of consultation with affected communities, and a sense among those communities that they are not being accorded a fair share of the benefits, can potentially heighten tensions. This has already been experienced in the context of the major hydroelectric schemes currently under construction along the Chinese border, which have been the target of violent attack. Local people have strong feelings about these developments, which will see them displaced from their ancestral lands and denied their source of livelihoods, while the electricity is sold to China, profiting only the central government.

CONCLUSION

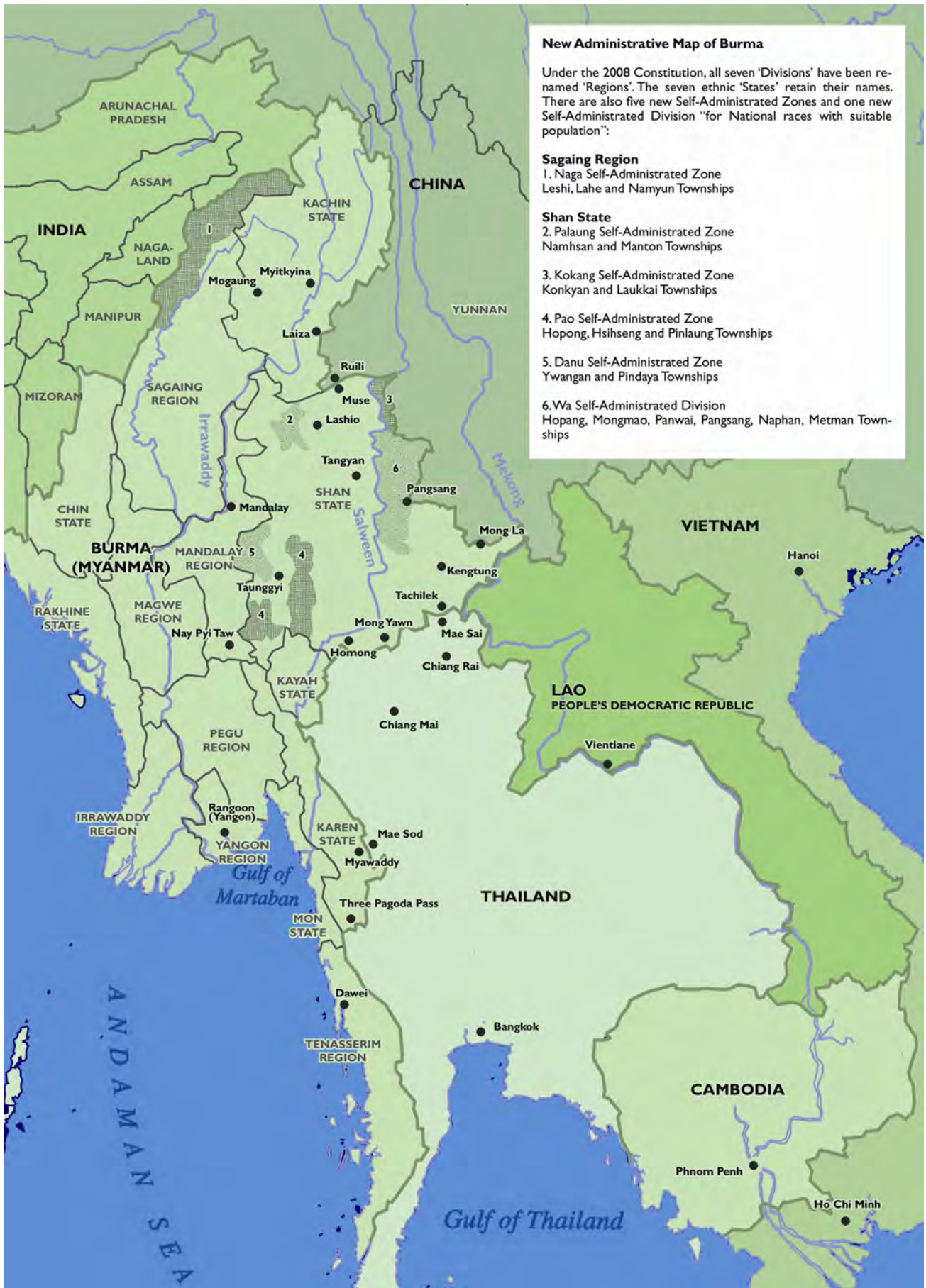
Two months after a new government took over the reins of power in Burma, it is too early to make any definitive assessment of the prospects for improved governance and peace in ethnic areas. Initial signs give some reason for optimism, but the difficulty of overcoming sixty years of conflict and strongly-felt grievances and deep suspicions should not be underestimated.

The economic and geostrategic realities are changing fast, and they will have a fundamental impact – positive and negative – on Burma’s borderlands. But unless ethnic communities are able to have much greater say in the governance of their affairs, and begin to see tangible benefits from the massive development projects in their areas, peace and broad-based development will remain elusive.

The new decentralized governance structures have the potential to make a positive contribution in this regard, but it is unclear if they can evolve into sufficiently powerful and genuinely representative bodies quickly enough to satisfy ethnic nationality aspirations.

NOTES

1. In 1989 the military government changed the official name from Burma to Myanmar. They can be considered alternative forms in the Burmese language, but their use has become a politicised issue. The UN uses Myanmar, but it is not yet commonly used in the English language. Therefore Burma will be mostly used in this publication. This is not intended as a political statement.
2. For a detailed analysis of the speech, see “President Thein Sein’s Inaugural Speech”, Analysis Paper No. 2/2011, Euro-Burma Office, Brussels, April 2011.
3. New Light of Myanmar, 24 April 2007, p. 7.
4. New Light of Myanmar, 29 March 2007, p. 8.
5. As set out in Schedule 5 to the 2008 Constitution, these include land revenue, excise revenue, taxes on locally-managed dams and reservoirs, tolls from locally-managed roads and bridges, royalties on fisheries, transport taxes, proceeds and rents from locally-managed properties, taxes on services enterprises, revenue from fines imposed by local courts, interest and profits on investments/disbursements, non-teak wood taxes, forest-product taxes, registration fees, salt taxes, and others.
6. TNI interviews, Yangon, April 2011.
7. Most recently, an article in the New Light of Myanmar referred to the United Wa State Army as an “insurgent group” (1 May 2011, p. 16).
8. For more detailed analysis, see Tom Kramer, “Burma’s Ceasefires at Risk: Consequences of the Kokang Crisis for Peace and Democracy”, TNI September 2009.
9. For a detailed analysis of these events, see Ashley South, “Burma’s Longest War: Anatomy of the Karen Conflict”, TNI-BCN March 2011.
10. See Wai Moe, “Burmese Officer Killed in Clash with KIA”, The Irrawaddy, 7 February 2011.
11. TNI interview with a Kachin community leader, Burma, April 2011.
12. See Ko Thet, “UWSA will Welcome Dialogue”, Democratic Voice of Burma, 3 May 2011.
13. These parties were RNDP, AMRDP, CNP, PSDP and SNDP. See “Peace Must Precede Development: Ethnic Party Reps”, The Irrawaddy, 27 April 2011.
14. Under the constitution, appointees to certain executive position at the national level are required to resign from their legislative seats, triggering by-elections. These by-elections are expected to be held late in 2011.
15. This view was expressed to BCN-TNI by several ethnic leaders during March and April 2011.
16. See: “Burma’s Longest War”, op. cit.
17. New Light of Myanmar, 24 April 2007, p. 7.
18. This is a phrase that has been used by the Thai government to describe several sub-regional infrastructure projects.



New Administrative Map of Burma

Under the 2008 Constitution, all seven 'Divisions' have been re-named 'Regions'. The seven ethnic 'States' retain their names. There are also five new Self-Administrated Zones and one new Self-Administrated Division "for National races with suitable population":

Sagaing Region
 1. Naga Self-Administrated Zone
 Leshi, Lahe and Namyun Townships

Shan State
 2. Palaung Self-Administrated Zone
 Namhsan and Manton Townships

3. Kokang Self-Administrated Zone
 Konkyan and Laukkai Townships

4. Pao Self-Administrated Zone
 Hopong, Hsihseng and Pinlaung Townships

5. Danu Self-Administrated Zone
 Ywangan and Pindaya Townships

6. Wa Self-Administrated Division
 Hopang, Mongmao, Panwai, Pangsang, Naphan, Metman Townships

TNI-BCN Project on Ethnic Conflict in Burma

Burma has been afflicted by ethnic conflict and civil war since independence in 1948, exposing it to some of the longest running armed conflicts in the world. Ethnic nationality peoples have long felt marginalised and discriminated against. The situation worsened after the military coup in 1962, when minority rights were further curtailed. The main grievances of ethnic nationality groups in Burma are the lack of influence in the political decision-making processes; the absence of economic and social development in their areas; and what they see as the military government's Burmanisation policy, which translates into repression of their cultural rights and religious freedom.

This joint TNI-BCN project aims to stimulate strategic thinking on addressing ethnic conflict in Burma and to give a voice to ethnic nationality groups who have until now been ignored and isolated in the international debate on the country. In order to respond to the challenges of 2010 and the future, TNI and BCN believe it is crucial to formulate practical and concrete policy options and define concrete benchmarks on progress that national and international actors can support. The project will aim to achieve greater support for a different Burma policy, which is pragmatic, engaged and grounded in reality.

The **Transnational Institute** (TNI) was founded in 1974 as an independent, international research and policy advocacy institute, with strong connections to transnational social movements and associated intellectuals concerned to steer the world in a democratic, equitable, environmentally sustainable and peaceful direction. Its point of departure is a belief that solutions to global problems require global co-operation.

BCN was founded in 1993. It works towards democratisation and respect for human rights in Burma. BCN does this through information dissemination, lobby and campaign work, and the strengthening of Burmese civil society organisations. In recent years the focus has shifted away from campaigning for economic isolation towards advocacy in support of civil society and a solution to the ethnic crises in Burma.

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