

Burma at the Crossroads

Maintaining the Momentum for Reform

The people of Burma/Myanmar¹ are at a critical juncture in their struggle for democracy and ethnic reform. Decisions taken by leading parties and protagonists in the months ahead could well define the direction of national politics for many years to come. After decades of conflict and military-dominated government, an epoch-shaping time has arrived.

Following the 1 April by-elections, the inclusion of the National League for Democracy (NLD) in the new parliamentary system of government could indicate that progressive reforms can be introduced under the 2008 constitution. Similarly, political discussions, as part of government ceasefires with armed ethnic opposition groups, could promote confidence that a sustainable process can emerge towards achieving national peace and reconciliation.

Political transition, however, is at a very early stage. Since the 2011 accession to power by the government of President Thein Sein, a new energy and openness have occurred in many aspects of national life. This reform potential has been welcomed by Western governments and international institutions that have begun to lift or suspend different sanctions.

At the same time, renewed conflict in the Kachin and Shan states and the continued domination of government by Tatmadaw (armed forces) veterans suggest that there is a long way to go before a democratic and representative system of government is truly in place. For this to occur, considerable political and socio-economic reforms

Conclusions and Recommendations

- After decades of division in national politics, the recent steps towards reconciliation and democratic reform by the Thein Sein government are welcome. The participation of the National League for Democracy in the April by-elections, new ceasefires with armed ethnic opposition groups and prioritization of economic reforms are all initiatives that can contribute to the establishment of peace and democracy.
- The momentum for reform must now continue. Remaining political prisoners must be released; a sustainable ceasefire achieved with the Kachin Independence Organisation and other armed opposition groups; and the provision of humanitarian aid to internally displaced persons and other vulnerable peoples needs to be accelerated.
- The 2015 general election is likely to mark the next major milestone in national politics. In the meantime, it is vital that processes are established by which political reform and ethnic peace can be inclusively developed. Burma is at the beginning of change – not at the end.
- The international community should support policies that encourage reconciliation and reform, and which do not cause new divisions. Burma's needs are many, but local and national organisations are ready to respond. Aid priority should be given to health, education, poverty alleviation, displaced persons and other humanitarian concerns.

will have to become rooted on a pace that is unparalleled in Burma's modern history.

At present, there remain uncertain and untested scenarios by which reform can occur. Huge challenges exist in political, economic and conflict transformation. All the country's parties and institutions are faced with a time of unprecedented restructuring and change.

A common focal point is 2015, when the next general election is scheduled. With pro-democracy and ethnic opposition groups still on the political margins, however, the steps by which sustainable peace and reform can be achieved are yet to be clarified and inclusively agreed.

It is thus a vital moment to review the unfolding political landscape to ensure that the momentum for reform continues. This requires a realism to guarantee that the country's grave political and humanitarian needs are addressed and that the state failures of the past are not repeated. As Aung San Suu Kyi has cautioned, Burma is "beginning to see the beginning of change" – not the end.²

BACKGROUND: A LAND IN A "CONFLICT TRAP"

Political events have moved at a remarkable pace since a new government assumed power in Nay Pyi Taw under President Thein Sein on 30 March 2011. At the time, the prospect of Aung San Suu Kyi standing for parliament or a government ceasefire with the Karen National Union (KNU) seemed improbable. Just as unexpected, it seemed inconceivable that a host of leading Western figures – from Hillary Clinton and David Cameron to George Soros and Catherine Ashton – would visit the country and advocate the eventual lifting of sanctions. By any standard, the past year has been extraordinary, and the coming year could continue in the same vein.

A great deal of caution and imagination, however, is needed during such momen-

tous times as these. As in any troubled country in transition, socio-political change is by no means prescriptive. Once the genie of change is out of the bottle – especially in a failed or repressed state – dynamics are released that can engender new crises as well as fresh opportunities in addressing national challenges that have long needed resolution.

As a result, very unexpected outcomes can occur. These can vary from political progress to economic instabilities, or from ethnic reconciliation to new grievances as the national landscape becomes one of "winners" and "losers" as citizens struggle to adapt to the changing political realities. The diverse experiences in the countries of eastern Europe or China and Cambodia since the 1989 ending of the Cold War provide many indications of the scale of different changes that Burma could face in introducing an era of modernization and reform. Everything from internal politics and economics to international geopolitics and trade will undergo pressures for reorientation and change.

In Burma's case, there are many reasons to expect transitional pressures to be especially acute. The post-colonial state stands out as a foremost example of a land enveloped in what World Bank analysis defines as a "conflict trap".³ Isolated, war-divided and impoverished, the country has been under virtual military rule for five decades. In particular, with ethnic minorities making up an estimated third of the 59 million population, Burma is one of the most ethnically diverse countries in Asia, and ethnic conflict has long underpinned political and social decline.

On a positive note, events during the past year suggest that new ways can be found to take the country forward with the involvement of key stakeholders on the different sides. Of historic significance, the admission to parliament of NLD representatives and the spread of ethnic ceasefires in borderland states provide grounds for hope

that an era of inclusive reform is under way. But first, some very uncharted territory has to be negotiated.

The country is now entering its fourth era of political and constitutional transformation since independence. On each previous occasion, division rather than inclusion marked the path of national politics. The result has been the state failure and ethnic conflicts that have continued into the 21st century.

It is vital therefore to learn from experiences in the past to ensure essential change today. A land devastated by the Second World War, Burma's state of strife continued through the parliamentary era of the 1950s, General Ne Win's "Burmese Way to Socialism" after 1962, and the military SLORC-SPDC regime after 1988.⁴

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We are beginning to see the beginning of change

Aung San Suu Kyi

In particular, it should not be forgotten that the landscape initially appeared just as potent for political change during the last time of national upheaval in 1988-92. The country's two largest parties, the Burma Socialist Programme Party (BSPP) and insurgent Communist Party of Burma (CPB) collapsed; the democracy movement revived; the NLD won the 1990 general election; and ceasefires resumed for the first time in three decades between the central government and ethnic opposition forces. Ultimately, however, conflict and political stasis continued under a new incarnation of military government led by Snr-General Than Shwe.

As in any "conflict trap", different reasons can be ascribed for state failure. But as the country passes through another time of government transition, it is important to

note that many veterans from earlier eras of political change say that a consistent impediment has been quite fundamental: a common lack of understanding and realism about the seriousness of the challenges facing the country.⁵ Indeed, with armed conflicts breaking out at the dawn of independence in 1948, many critical issues have never been discussed face-to-face by leaders and divided communities on the various sides.

Two interlinked themes, especially, mark a narrative of state failure: economics and politics.

In the case of the economy, reports dating back to the British colonial era persistently reflect a lack of realism about the socio-economic and humanitarian situation. There has been no shortage of grand plans: notably the *Pyidawtha* welfare system in the parliamentary era of the 1950s, Ne Win's quasi-Marxist "Burmese Way to Socialism" after 1962, and the "market-oriented" policies of the SLORC-SPDC after 1988. Reliable data is however scant, and no one delivered the development and national progress that the country desperately needed. It appears as if the obvious natural resource potential of the country blinded successive generations of leaders to the true living conditions of the people. Instead, by 1987, Burma had slid to Least Developed Country status at the United Nations (UN), an impoverished position where it remains today.

A similar history of unreality and division marks the different eras of politics. Three different groupings have survived the turbulent events over the years: the armed forces or Tatmadaw, pro-democracy parties and the country's diverse ethnic groups. However, no inclusive dialogue has been achieved that has brought them together in a sustained process towards peace and democracy.

Periodic promises of reconciliation have occurred. There were occasional peace talks

and manoeuvres for political reform in the parliamentary era of the 1950s; a nation-wide “Peace Parley” and Internal Unity Advisory Board under Ne Win’s military socialists in the 1960s; and two general elections, a national convention and ethnic ceasefires during the 22 years of SLORC-SPDC rule. But none was truly inclusive nor reflected political needs within the country. Rather, the country remained one of the most conflict-torn in the world.

Now in 2012, the country has embarked on another time of constitutional change. At such a vital moment, it is important that the country is able to rise above the legacy of past failures. It is on the basis of modern needs, dynamics and aspirations that solutions must be achieved. For this reason, there are greater hopes in contemporary society for progressive reforms than in the isolationist days of the past. Even under long years of military rule, life on the ground has never been static.

The challenge, however, remains of bringing the different sectors in politics and society together. Reconciliation and reform require both realism and that stakeholders move outside their comfort zones and make difficult – even daring – moves. For example, bold steps have been taken in the recent accommodation between the government and NLD that seemed unimaginable a year ago. On the other hand, the same hopes for change were expressed in the aftermath of the NLD victory in the 1990 general election. Similarly, the Kachin people supported peace efforts under the reform roadmap of the SLORC-SPDC. Ultimately, however, conflict re-ignited under the Thein Sein government last June, prompting a further humanitarian crisis in the country.⁶

Such tragedies and regression are a warning not to take national progress for granted during the present time of change. Burma faces a host of complex crises that must be addressed – all with the capacity to undermine stability and each requiring

urgent attention in the months ahead. From politics to society, a Pandora’s Box of new dynamics has been opened.

THE PRESENT LANDSCAPE: A COUNTRY IN CHANGE

A number of key areas stand out as integral to the success of reform transition in present-day Burma: politics, ethnic conflict, economics, social and humanitarian affairs, and the international dimension. On all issues, it is a critical time.

POLITICS

In politics, the most important transformation in the national landscape is taking place since the mid-1970s when the country’s previous constitution was introduced. All citizens and parties are affected, and it remains uncertain in what forms the key groupings in national politics will exist or align a year from now. The Tatmadaw, pro-democracy parties and ethnic nationality groups are all in the midst of change.

In government and organisational terms, the Tatmadaw is by far the most advanced in transition. The ruling SPDC ceased to exist with the advent of a new military-backed government last March; 25 per cent of seats in the legislatures are reserved for military nominees; the Tatmadaw-created Union Solidarity and Development Party (USDP) won over 70 per cent of constituency seats in the 2010 general election (which the NLD boycotted); and President Thein Sein and other leading USDP figures in the new government are ex-generals from the former regime.

Initially, therefore, Tatmadaw-dominated rule appeared to continue, with the USDP expected to act as a civilian front for military interests. Contrary to opposition predictions, however, indications have grown over the past year that Thein Sein and his advisers want to make the new “democracy” system work. In a much-quoted speech on his government’s first anniversary,

Thein Sein claimed: “Our vigorous constitutional democratic transition has now systematically reached a peaceful path”.⁷

This, in turn, raises a number of key questions. What kind of political system is going to emerge; will Tatmadaw, USDP and related business interests continue to dominate; and, just as critical, how will pro-democracy parties like the NLD and the different ethnic organisations operate in the new political landscape?

For the moment, new developments are emerging by the day, and there are unlikely to be quick answers. But in the past year, Thein Sein’s actions have won growing acceptance and praise. He has begun the long overdue release of political prisoners;

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Our vigorous constitutional democratic transition has now systematically reached a peaceful path.

President Thein Sein

undertaken dialogue with Aung San Suu Kyi and the NLD; established a national human rights commission; offered new ceasefires to armed ethnic forces; promised to target poverty alleviation; suspended work on the unpopular Chinese-backed Myitson Dam; and shown willingness to build bridges with the West, including visits to Burma by US Secretary of State Hillary Clinton and UK Prime Minister David Cameron.

Such initiatives have opened up the prospect of progressive routes to change inside and outside of parliamentary processes. In response, Aung San Suu Kyi and the NLD contested the 1 April by-elections, winning 43 of the 45 available seats and defeating the USDP and other political parties at the ballot box. Equally important, ceasefires have been agreed with the majority of armed opposition forces in the country,

including the KNU and Shan State Army-South (SSA-S).

Opposition groups, however, remain very cautious. There have been too many disappointments in Burmese politics before for careless optimism now. Concerns have centred on three main issues.

Firstly, there are suspicions that, like Ne Win’s military junta in 1962-64 and the SLORC in 1988-90, the new Tatmadaw-backed government’s initial strategy has been to win itself a breathing space to entrench itself in power by offering dialogue to political and ethnic opponents. Secondly, although they have been allowed more freedom, it is unclear how the NLD and other opposition groups can influence national reform and amend the 2008 constitution.⁸ USDP and Tatmadaw representatives continue to have a huge majority in the national legislature assemblies; a number of political prisoners are believed to remain in jail;⁹ and the 88 Generation Students and other pro-democracy supporters question how democratic reforms can be taken forward under a political system that is still dominated by Tatmadaw interests. And thirdly, there are doubts about how united the government, Tatmadaw and USDP leaders are behind Thein Sein’s political actions.

The reality is that, in the secretive world of Tatmadaw politics, nobody really knows. Since the government’s inception, rumours have persisted of a division between “reformers” and “hardliners” in the corridors of power in Nay Pyi Taw. More recently, speculation has grown that the veteran strongman Snr-General Than Shwe has completely retired and that Thein Sein has seen off a power struggle with the apparent stepping down of Vice-President ex-General Tin Aung Myint Oo, a perceived hardliner who has become a Buddhist monk.¹⁰ But, with a younger generation of officers taking over the Tatmadaw leadership, the balance of power between “military” and “civilian” officials is still not clear. The

Tatmadaw is not to be discounted in Burmese politics. As commander-in-chief Vice Snr-General Min Aung Hlaing reminded the country on Armed Forces Day, it is the Tatmadaw's constitutional duty "to play the leading role in the national politics".¹¹

The question, then, remains how Tatmadaw-USDP roles will evolve under the new political system. For the present, Tatmadaw-USDP dominance remains certain under the 2010 electoral landscape. But following the NLD victories in most seats in the April by-elections, government leaders know that the USDP is likely to face defeat in the next general election – if genuinely democratic polls become established. As a first step, the Tatmadaw has responded by replacing 59 junior members with officers of senior rank to strengthen its authority in the legislatures.¹² Meanwhile ex-General Shwe Mann, the lower house speaker, and other USDP leaders are seeking to energize their party. But, as all citizens are aware, the USDP now has a struggle on its hands if it is to democratically survive in the new political era. The Tatmadaw-USDP nexus will be challenged.

The next general election in 2015 will therefore mark a major event for all parties in Burma – government as much as opposition – to work towards. A script has not yet been written, and the NLD and other pro-democracy parties will also find the road difficult. They are emerging from many handicaps and years of repression. Having accepted the new political system by standing in the polls, they now have to prove to the people that the 2008 constitution is reformable and that they can bring real democratic change to the country. In short, after a 50-year interruption, Burma is re-embarking on an ostensibly parliamentary road but the destination is not yet certain.

ETHNIC CONFLICT

A second key issue – ethnic conflict – is likely to be just as integral to the success or

failure of the new political system. After six decades of division, it will require a sustained effort to ensure that peace is achieved in the borderlands, and that a stable political system emerges in which ethnic voices are equitably heard.

Events in the past year have continued to move at a fast pace. Reflecting the changing political landscape, there are currently over 50 ethnic organizations – both electoral and armed – seeking to represent nationality interests in the country.¹³

On an innovative note, the Thein Sein government rolled out a new ceasefire process in late 2011 that has come to include nearly all armed opposition groups in the country, whether large or small.¹⁴ Contradicting this trend, Tatmadaw operations intensified in north-east Burma after the ceasefire with the Kachin Independence Organisation (KIO) broke down last June, fuelling perceptions that either Thein Sein does not have day-to-day authority over the Tatmadaw, or that the government is playing a very strategic game.¹⁵

Such doubts about "divide and rule" tactics further increased after Thein Sein ordered the Tatmadaw to halt offensive operations against the KIO in December – a commitment that was repeated in March but did not interrupt Tatmadaw attacks.¹⁶ At the same time, the government persisted in using a different group of negotiators, led by the USDP official ex-General Aung Thaung, to talk with the KIO rather than the Rail Transport Minister ex-General Aung Min, who has been successful in meetings with other armed groups. Against this backdrop, antipathies on the opposing sides further deepened.

Why the KIO has been treated so differently to other ethnic forces under the Thein Sein government has yet to be explained, but opposition groups believe that it is for a variety of political and economic reasons.¹⁷ The KIO has long been a major voice for ethnic aspirations and a challenge to suc-

cessive government ambitions since its 1961 foundation. Equally important, the Kachin people inhabit strategic and resource-rich borderlands with China, including the northern Shan state through which the planned oil and gas pipelines to China will pass. In the same region, furthermore, the allied Shan State Army-North (SSA-N) has also come under extra Tatmadaw pressures and attack in recent years for what Shan leaders believe are the same political and economic reasons.¹⁸

For their part, KIO leaders claim that the government strategy to weaken the Kachin cause began even before Thein Sein came to power.¹⁹ For although the KIO followed the SLORC-SPDC roadmap through 17 years of ceasefire, its supporters were not allowed to form a party to stand in the 2010

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UN Secretary-General Ban Ki-moon

general election. Instead, the estimated 8,000 KIO troops were ordered to break up into Border Guard Forces under Tatmadaw control – a demand that KIO leaders rejected. At the same time, the government accelerated hydro-electric and other economic deals with China, bypassing the local people and furthering Kachin resentment.

For the moment, President Thein Sein has suspended work on the controversial Myitson Dam with China. Nevertheless, the perception has continued among many Kachin people that Tatmadaw strategists want to impose military rather than political solutions in the Kachin case.²⁰

The evidence has been mounting. For while ceasefires spread with other ethnic forces, the KIO has become increasingly isolated

under the Thein Sein government. Thousands more government troops have been rushed to north-east Burma; the KIO has responded with guerrilla attacks; over 70,000 civilians have been displaced; and extrajudicial executions and other gross human rights abuses are reportedly widespread.²¹ In one of the most isolated border regions of Asia, a major humanitarian emergency is under way, with international relief largely confined to organisations operating from the government side.²²

This, in turn, has created a major dilemma for the international community which, until now, has encouraged the reform initiatives of the Thein Sein government. The renewed violence has occurred on Thein Sein's watch and, unless resolved, will define domestic and international perceptions of the new government. “The situation in Kachin States is inconsistent with the successful conclusion of ceasefire agreements with all the other major groups,” UN Secretary-General Ban Ki-moon recently warned. “The Kachin people should no longer be denied the opportunity that a ceasefire and a political agreement can bring for peace and development.”²³

Ultimately, it will be for the peoples of Burma to resolve the continuing state of strife. Routes to peace do exist. In early May, it was reported that President Thein Sein himself would take charge of a reformed “Peace Committee” which will be responsible for all ceasefire talks, including those with the KIO.²⁴ A government proposal has also been generally accepted by combatants on the different sides that peace talks should start at the regional or state levels before moving to the central (union) level and, eventually, include political affairs. These objectives were sketched out in Thein Sein's announcement of a new “Union Peace-making Work Committee”, chaired by Vice-President Dr Sai Mauk Kham (an ethnic Shan), on 19 May.²⁵ Subsequently, a new government team, led by Rail Transport Minister Aung

Min, travelled into KIO territory for talks, raising hopes that fighting could be ended.

There is, however, still a long way to go in establishing a sustainable peace process. After decades of conflict, militant leaders are adamant that they will not give up on their long-term political demands. They also want an end to what they regard as long-standing Tatmadaw practices of “divide-and-rule”.

Thus four main elements have been proposed by ethnic opposition parties to halt the cycle of violence; a nationwide ceasefire; humanitarian relief; joint negotiations through such alliances as the United Nationalities Federal Council (UNFC) that includes the KIO, KNU and SSA-N; and political agreements that will be concluded

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It is clear there are more steps to the peace process than a signed ceasefire arrangement with the government.

Naw Zipporah Sein, KNU Secretary-General

through a national process similar to the 1947 Panglong conference that drew up the ethnic principles for the new Union. “We are trying to build a peace with the government for the whole country”, explained Naw Zipporah Sein, Secretary-General of the KNU. “It is clear there are more steps to the peace process than a signed ceasefire arrangement with the government.”²⁶

Equally important, ethnic electoral parties must also be brought into the peace and reform process at some stage. Their voices are presently diffused. Sixteen ethnic parties won seats in the 2010 polls, while several more are still active that won seats in the 1990 general election but did not stand again in 2010 due to arrests, political restrictions and their rejection of the 2008 constitution. Nevertheless, cooperation on addressing national challenges is increasing, and – as with armed opposition groups

– reform towards a “federal” system of government remains a popular goal.

A particular concern among ethnically-based parties – both electoral and armed – is the lack of effectiveness in ethnic representation in the new parliamentary system under which the three legislatures (lower and upper houses and 14 state/region assemblies) are dominated by the USDP and military appointees.²⁷ These worries escalated further after the NLD’s apparent “landslide” victory in the April by-elections, reviving memories of how “first past the post” elections marginalised minority parties in the parliamentary era (1948-62) and favoured large, centrally-based parties among the Burman-majority. As Sai Saw Aung of the Shan Nationalities League for Democracy warned UN Secretary-General Ban Ki-moon, “64 years of conflict cannot be terminated by six months of negotiations and deliberations inside the parliament”.²⁸

Such issues are not insuperable. However, ethnic parties continue to insist that the 2008 constitution and 2010 general election can only be considered to mark an inception to a process of change – not a conclusive solution. Further ceasefire agreements and political progress are regarded as essential before the 2015 general election. For this reason, Aung San Suu Kyi’s willingness to support a “second Panglong” has met with widespread approval.²⁹ President Thein Sein, too, invoked the memory of Panglong when he pledged to prioritise “the political process for national reconciliation” on his government’s first anniversary. “We will make no deception in our stride to the goal of eternal peace,” he said. “We will do the job with trust based on Panglong spirit.”³⁰

In summary, the ethnic stage is delicately set. Optimism has been growing that the country faces a better opportunity for peace and reform than in decades. The April meetings, for example, by KNU delegates with President Thein Sein and Aung San

Suu Kyi could become historical landmarks. But the Kachin conflict and the legacy of failures since independence warn that much has yet to be achieved.

ECONOMICS

The ethnic crisis inevitably impacts on the third major challenge facing the country: economic reform. Many of the major energy and infrastructure projects with neighbouring countries are located in the ethnic borderlands. Three, in particular, stand out: the oil and gas pipelines from the Rakhine coast to China's Yunnan province, the Kaladan Gateway project with north-east India, and the Dawei Development Project with southern Thailand. Such projects are ground-breaking in one of the

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International Monetary Fund

most rapidly developing regions of Asia.

It will thus be vital that economic change under the new political system truly benefits the people and not simply international investors and the local business elite. After decades of conflict and government mismanagement, financial reform is at a Year Zero where modernization is concerned. Burma ranks third from bottom, next to Afghanistan, on the 2011 corruption perceptions index of Transparency International.

On a much-praised note, the Thein Sein government has appointed independent advisers and embraced discussion of reform on many long-overdue issues.³¹ Agriculture, energy, poverty alleviation and addressing corruption have all been identified as key areas for national progress. At

the same time, fundamental reforms have been started on such essential areas as exchange rates. A growing business dynamism is apparent in Yangon and other conurbations, and the number of foreign tourists is steadily increasing.

Combined with political reform, these developments have prompted a return in international financial assistance that had effectively been cut off since 1988. Western governments have started lifting sanctions, Japan has cancelled over US\$ 3 billion of debt and is helping with the planned opening of a stock exchange in 2015, and the World Bank and other international institutions are setting up offices in-country. According to the International Monetary Fund, “Myanmar's new government faces a historic opportunity to jump-start development and lift living standards...with appropriate reforms”.³²

Despite such encouragement, the immediate living conditions of the majority of people are little changed. Burma currently stands below all its neighbours at 149th out of 187 countries in the UNDP Human Development Index. UN and other international analysts warn that, without investments in “education, health, rural development and infrastructure”, Burma could fall victim to the “resource curse” of other impoverished but economically high-potential countries.³³ Despite the country's abundant energy resources, an estimated 75 percent of the population do not have access to electricity.³⁴

Equally important, evidence is growing that economic change could become the source of new grievances if not equitably planned and implemented. Criticisms have been growing. The Shwe Gas Movement has called for the suspension of the oil and gas pipelines to China until adequate environmental and human rights safeguards are in place.³⁵ The KNU and various community-based organizations are concerned about business cronyism and the imposition of the Dawei Development Project without

consultation among the local people.³⁶ And on 12 May, the UNFC warned the government that all ceasefires could be suspended if Tatmadaw operations “to protect foreign investments” in its campaign against the KIO were not suspended by 10 June. “We oppose and object to the killing of our own ethnic people in the country for the interests of foreign countries,” the UNFC said.³⁷

Clearly, therefore, the establishment of a financially viable government and an economic system that guarantees equal opportunity and rights to all citizens will be essential. As with any government in the world, the state of the economy could well become its Achilles heel, and popular protests in 1988 and 2007 warn that, without substantive progress, economic grievance may become quickly expressed in the streets. Recent protests over electricity shortages in Mandalay and Yangon are further reminders that expectations for real economic improvements are high.

SOCIAL AND HUMANITARIAN AFFAIRS

Economic performance will also have critical influence on the fourth major challenge within the country: social and humanitarian affairs. If compared with a decade ago, the general health and social conditions are much better researched and understood today – both domestically and internationally. Sadly, much of this new focus only occurred in the aftermath of the 2008 Cyclone Nargis, in which an estimated 140,000 people died.³⁸

Significantly, too, in recent years the energy and professionalism of local non-governmental and community-based groups have been steadily increasing. Under the BSPP and SLORC-SPDC, regulations remained tight and non-governmental organisations (NGOs) generally emerged from faith, cultural or business-based groups. But in 2012 there are ever more independent organisations working in such vital areas as

health, education, agriculture, environment and media as well as conflict resolution. There are still registration and legal barriers to be overcome. But initial indications from the Thein Sein government suggest that the importance of NGOs will not be denied.³⁹ In short, civil society is “gaining ground”, and community-based groups are putting much needed realism back into the socio-political environment.⁴⁰

For these reasons, there are hopes that the country could make rapid progress on addressing basic social and humanitarian needs in the next few years, provided that political progress and ethnic peace become established. Pioneering donor projects such as the Three Diseases Fund (3DF) and Livelihoods and Food Security Trust Fund (LIFT) are being followed by other major initiatives, including the Global Fund to Fight AIDS, Tuberculosis and Malaria which returned to the country in 2011 after a five year absence due to government and international restrictions.⁴¹

The present humanitarian landscape, nevertheless, continues to provide many grounds for concern. By any international standards, Burma remains an “aid orphan”, with overseas development assistance estimated as low as US\$5 per capita annually.⁴² Decades of conflict and isolation have taken a heavy toll. Malaria remains a leading cause of morbidity and mortality; only 40,000 people have antiretroviral therapy in a country where an estimated 240,000 are living with HIV; tuberculosis is almost three times the world average; forced labour and grave human rights abuses continue in the ethnic borderlands; and there remain over 150,000 refugees in neighbouring countries as well as up to half a million ‘internally displaced persons’ inside Burma itself.⁴³

Social and humanitarian needs are clearly immense. As aid experiences in Cambodia and other conflict-damaged countries have shown, however, an influx of international

support is not in itself a solution and, indeed, can cause a new range of social and human rights problems without political reforms.⁴⁴ The key is effective working on the ground with local communities, with the most vulnerable and needy prioritised for humanitarian aid. “What we need is sustainable, sound aid,” Aung San Suu Kyi advised in early May, which is only possible, she said, “if people can defend their rights”.⁴⁵

INTERNATIONAL DIMENSION

This leads to the fifth challenge facing the country: the international dimension. Again, the past few months have witnessed extraordinary change. A year ago, Burma was still being spoken of in Western circles in the same breath as North Korea. Today

“*What we need is sustainable, sound aid*

Aung San Suu Kyi

the long-standing paradigm from the SLORC-SPDC era of “Asian engagement versus Western boycotts” is ending, and Western diplomats, businessmen, academics and other international visitors are lining up to enter the country. From US Secretary of State Hillary Clinton to UN Secretary-General Ban Ki-moon, the procession has been remarkable.

Quite how these new international relationships will play out, however, is uncertain. In a world where the security focus is often on Iran, North Korea, Zimbabwe and other “rogue” states, Western diplomats have privately decided that encouragement for President Thein Sein is the best strategy to foster democracy and ensure that the Burma government does not return to its “pariah state” ways.

Western sanctions are unravelling; lower house speaker Shwe Mann and other par-

liamentarians have visited the European parliament; the European Union, Australia, Canada and Norway have already suspended most restrictions; Aung San Suu Kyi is scheduled to visit Europe in June for the first time in 24 years; talk of international war crime tribunals has muted; and only the USA, although lifting investment sanctions, wants to keep basic elements, notably an arms embargo, on the law books to maintain pressure. Change in Burma is “incomplete” and cannot be “guaranteed”, a U.S. State Department official recently warned.⁴⁶

The problem for the West, however, is that governments are returning to the Burma stage very late. Recent events raise as many questions as they answer in international geopolitics and the future identity of the Burmese state. The reality is that Burma is a fragile player, caught between China, India and Thailand, on a strategic crossroads in Asia that is now undergoing dynamic change.⁴⁷ Western influence is likely to be limited. Not only have Burma’s border politics long been inextricably linked with its neighbours, but the modern powers of China and India already have significant investments and security interests in the country.⁴⁸ ASEAN, too, is an active stakeholder, with Burma scheduled to become the 2014 ASEAN chair. Meanwhile Japan and South Korea are also seeking to expand trade with the country.

Asian diplomats often say that it is possible to over-estimate the importance of their relationships with the Burma government. But already under the SLORC-SPDC the scramble for influence and resources had begun. The consequences in international geopolitics will be immense, with major infrastructure and energy projects either on the drawing board or already under way.

Among Asian governments, progress and stability in Burma are especially important for India, Thailand and Bangladesh, which also have refugee, disease, narcotics and other social burdens to bear. But it is

China, with its unique “Paukphaw” (fraternal) relationship, that stands out in both influence and concerns. China is the largest foreign investor; over 70 Chinese companies (state and private) are listed in the hydropower, mining, oil and gas sectors;⁴⁹ the Chinese population in Burma is growing; and the completion of the oil and gas pipelines from the Rakhine state coast will see the fruition of China’s long-standing “two oceans” goal (i.e. access to both the Pacific and Indian oceans). Clearly, by comparison to China, the West has a very long way to go in Burma in a century where it is Asian influence on the ascendance.

The coming years will therefore be critical in how international politics impact on Burmese affairs under the new system of government. The long-standing division between the West prioritizing the pro-democracy movement and Asian neighbours engaging with the former Tatmadaw government may be ending. New relationships and policies, however, have yet to be settled, and many challenges lie ahead. For the present, the international landscape appears calm. But Chinese officials have already warned that, after “decades” of avoidance, it hopes that the U.S. decision to engage in Burma is not “aimed at Beijing”.⁵⁰

It is thus vital that the international community does not return to the practice of supporting opposing parties in Burmese political affairs. There are many warnings from Burma’s post-colonial history during which China and the USA have backed different parties over the decades.⁵¹ At the very moment when reconciliation and mutual progress are needed, such actions could once again pull the country apart.

CONCLUSION

By any international standard, Burma is a land that has undergone dramatic change in the past year. Important steps have been initiated by the new government under President Thein Sein that could help

reconciliation and reform. Any visitor to the country will recognize the growing hopes for modernization, democratic reform and peace that have long been denied to Burma’s peoples by decades of conflict, isolation and military-dominated government.

The process of change, however, is just beginning. This is not the first time that Burma has appeared on the brink of essential reforms. There is a long legacy of state failure and neglected humanitarian needs that must be addressed if the tragedies of the past are not to be repeated. The admission of NLD representatives to parliament, the agreement of new ceasefires with armed ethnic groups, and the government’s prioritization of economic reform indicate the potential for a new realism and inclusion in national politics that could lead to solutions. Nevertheless, the road ahead will be rocky and many pressing challenges remain to be addressed.

For reconciliation to continue, the release of remaining political prisoners and a sustainable Kachin ceasefire are of paramount importance. It will then be important for the different parties in national politics – Tatmadaw, democratic and ethnic – to achieve processes inside *and* outside of parliament by which dialogue and reform momentum can continue. Precedent from previous political eras warns that failure to achieve national inclusion only leaves instabilities and state failure for the future. Economic change, too, must mark an integral part of Burma’s reform process and not become the source of new divisions and grievances.

Finally, this is also a time of uncertainty and critical importance for the international community. The divisions between Western boycotts and Asian engagement are ending. But for the moment, future relationships and policies are yet to be defined. In recent months, a rush has accelerated for influence and resources in Burma. Thus it is important that interna-

tional engagement should not, as in the past, sustain divisions in the country. Rather, international engagement should be based on supporting national peace and reform.

In summary, there currently appear many more initiatives for socio-political change in place in Burma than ever before, and these provide grounds for optimism that the country will face a brighter future. One way or another, decades of isolation are coming to an end, and the political landscape could look very different by the time of the next general election in 2015. This in no way, however, diminishes the seriousness and urgency of the challenges facing Burma's peoples. Failure now will only doom the country to another unnecessary cycle of suffering.

NOTES

1. In 1989 the State Law and Order Restoration Council military government changed the official name from Burma to Myanmar. They are alternative forms in the Burmese language, but their use has become a politicised issue. Although this is changing, Myanmar is not yet commonly used in the English language. For consistency, Burma will be used in this report. This is not intended as a political statement.

2. BBC News, "Aung San Suu Kyi cautious on Burma reform", 3 October 2011, <http://www.bbc.co.uk/news/world-asia-pacific-15152767>

3. World Bank Policy Research Report, *Breaking the Conflict Trap: Civil War and Development Policy* (World Bank and Oxford University Press, Washington D.C., 2003). For a Burma analysis, see e.g., Martin Smith, *State of Strife: The Dynamics of Ethnic Conflict in Burma* (East-West Center Washington, Policy Studies 36, 2007), pp.3-25, 52-7.

4. In a 1997 shake-up, the State Law and Order Restoration Council (SLORC) was renamed the State Peace and Development Council (SPDC).

5. This view has been expressed to TNI-BCN by different veteran political, military and community leaders during the past view years.

6. For an analysis, see, "Conflict or Peace? Ethnic Unrest Intensifies in Burma", TNI-BCN Burma Policy Briefing Nr 7, June 2011.

7. See, "All must try to see national race youths who brandished guns using laptops: Government not divided into hard-liners and soft-liners", *New Light of Myanmar*, 2 March 2012.

8. This was the reason why NLD MPs were initially reluctant to enter the legislatures by swearing to "safeguard" the 2008 constitution. Hpyo Wai Tha, "NLD Maintains Stance on Oath Standoff", *The Irrawaddy*, 27 April 2012. Given the current USDP-Tatmadaw domination, doubts continue over how easy it will be for pro-democracy parties to amend the constitution. Amendment proposals need to be supported by at least 20 per cent of parliamentary representatives and can only be adopted with 75 per cent of votes in the legislatures. See also note 27.

9. See e.g., Human Rights Watch, "Burma: Ban Should Press for Lasting Reforms", 28 April 2012; Benjamin Zawacki and Donna Jean Guest (Amnesty International), "New rights, old wrongs in Myanmar", *Asia Times*, 26 May 2012.

10. "VP has 'become a monk': govt official", *Myanmar Times*, 21-27 May 2012. The government has two Vice-Presidents, the other being Dr Sai Mauk Kham who was elected by the upper house. Tin Aung Myint Oo was the Tatmadaw choice.

11. *New Light of Myanmar*, 28 March 2012.

12. The exact intentions behind this move are still unclear. While the experience of Tatmadaw representatives has increased, it is also thought possible that senior officers might behave more independently in parliamentary affairs.

13. For a post-election overview, see, "Ethnic Politics in Burma: The Time for Solutions", TNI-BCN Burma Policy Briefing Nr 5, February 2011.

14. See e.g., "Ending Burma's Conflict Cycle?: Prospects for Ethnic Peace", TNI-BCN Burma Policy Briefing Nr 8, February 2012.

15. A third possibility is also sometimes alleged: that local Tatmadaw units misrepresent the situation on the ground to central command.

But given the considerable domestic and international publicity, this seems unlikely in the present Kachin crisis.

16. Soe Than Lynn, "Order to end attacks puts ceasefire back on table", *Myanmar Times*, 19-25 December 2011; Sai Wansai, "President Thein Sein: Real Reformer or Pretender?", *Shan Herald Agency for News*, 20 December 2011; note 7.

17. See note 6.

18. The Shan ceasefire leader Hso Ten and Shan politicians such as Hkun Htun Oo were sentenced to long jail terms under the SPDC. The SSA-N ceasefire also broke down last year. It has since been resumed; Shan political prisoners released; and the government has also agreed a ceasefire with the allied SSA-S. But the Tatmadaw has continued to be accused of launching attacks; see e.g., "SSA North: Burma Army breaching truce 13 times", *Shan Herald Agency for News*, 1 May 2012.

19. See note 6.

20. See e.g., Kachin Development Networking Group, "Lessons from the Kachin 'development' experience", May 2012.

21. Human Rights Watch, "Untold Miseries: Wartime Abuses and Forced Displacement in Burma's Kachin State", 20 March 2012.

22. Access to aid for those afflicted by the conflict has been a contentious issue. See e.g., "UN Aid Finally Reaches Kachin IDPs", *The Irrawaddy*, 26 March 2012; "UN chief calls for end to Kachin conflict", *Kachin News Group*, 19 May 2012.

23. San Oo, "UN ready assist peace effort in Kachin: Ban", *Myanmar Times*, 7-13 May 2012.

24. "Burmese President Will Lead Peace Committee", *The Irrawaddy*, 8 May 2012.

25. *New Light of Myanmar*, 19 May 2012. The announcement was dated 3 May but no reason was given for the delay. For Sai Mauk Kham, see also note 10.

26. "Ethnic leaders deny Minister's claim it's all about personal and business gains", *Karen News*, 17 January 2012.

27. The USDP won 883 of the 1,154 possible seats in the different legislatures. Only in the Chin, Karen, Rakhine and Shan state assemblies did nationality parties win significant

representation, taking between 37 (Shan) and 45 (Chin) per cent of the seats. For an election analysis, see, "A Changing Ethnic Landscape: Analysis of Burma's 2010 polls", TNI-BCN Burma Policy Briefing Nr 4, December 2010.

28. *Shan Herald Agency for News*, 1 May 2012.

29. Lawi Weng, "Ethnic Leaders Back Suu Kyi's Call for Panglong 2", *The Irrawaddy*, 15 November 2010.

30. *New Light of Myanmar*, 2 March 2012. See also note 7.

31. See e.g., the papers delivered by U Myint and other participants at the National Workshop on Economic Development, 19-21 August 2011.

32. International Monetary Fund, "Myanmar 2011 Article IV Consultation", IMF Country Report No.12/104, May 2012, p.3.

33. Simon Roughneen, "Commodity Prices, Cronyism Threaten Burma's Economy: UN", *The Irrawaddy*, 10 May 2012.

34. Ibid.

35. Shwe Gas Movement, Letter to President Thein Sein, 1 March 2012.

36. See e.g., *Karen News*, "KNU questions role of Govt's business linked 'peace talk' advisors", 10 May 2012; IRIN, "Myanmar: Humanitarian cost of economic development", 27 February 2012.

37. Phanida, "UNFC gives deadline to halt military offensives", *Mizzima*, 14 May 2012.

38. IRIN, "Myanmar: What if another Cyclone Nargis comes?", 17 September 2009.

39. See e.g., Shwe Yee Saw Myint, "Govt relaxes NGO registration process", *Myanmar Times*, 16-22 April 2012.

40. Tom Kramer, *Civil Society Gaining Ground: Opportunities for Change and Development in Burma* (TNI-BCN, Amsterdam, 2011).

41. See e.g., "HIV/AIDS and drug use in Burma/Myanmar", TNI-BCN Drug Policy Briefing Nr 17, May 2006, pp.10-13.

42. IRIN, "Myanmar: Donor aid begins to flow", 4 January 2012.

43. See e.g., IRIN, "Myanmar: Anti-malarial drug resistance 'hotspots' identified", 19 April 2011; Medecins Sans Frontieres, "Lives in the

Balance: the Need for Urgent HIV and TB Treatment in Myanmar”, 22 February 2012; Human Rights Watch, “Untold Miseries: Wartime Abuses and Forced Displacement in Burma’s Kachin State”, 20 March 2012; Thailand Burma Border Consortium, “Programme Report 2011: July to December”.

44. See e.g., Seth Mydans, “Donors Asked to Withhold Aid Over Proposed Law in Cambodia”, *New York Times*, 7 April 2011.

45. Quoted from an interview with Welt am Sonntag, “Suu Kyi says Myanmar needs ‘sustainable aid’”, AFP, 6 May 2012.

46. Reuters, “U.S. says ‘eyes wide open’ in response to Myanmar changes”, 11 May 2012.

47. Thant Myint-U, *Where China Meets India: Burma and the New Crossroads of Asia* (Faber and Faber, London, 2011).

48. See e.g., Martin Smith, “Ethnic Challenges and Border Politics in Myanmar/Burma”, in, Xiaolin Guo (ed.), *Myanmar/Burma: Challenges and Perspectives* (Institute for Security and Development Policy, Stockholm, 2008), pp.37-65.

49. See e.g., EarthRights International, “China in Burma”, September 2008, pp.10-11.

50. Reuters, “China says hopes US’ Myanmar moves not aimed at Beijing”, 25 April 2012.

51. See e.g., note 48. In the parliamentary and BSPP eras, for example, China supported the insurgent CPB, while the USA backed Kuomintang remnants from China. The USA also supported Thailand’s border “buffer” policy of tacitly accepting armed opposition groups from Burma that operated along its borders, a policy that, in Thailand’s case, still has vestiges today.

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 Burmanisation policies by governments since independence that have translated 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 political changes since 2010 and for 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 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 democratization, respect for human rights and a solution to the ethnic crises in Burma. BCN does this through facilitating public and informal debates on Burma, information dissemination, advocacy work, and the strengthening of the role of Burmese civil society and political actors in the new political system.

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