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## ***Burma's New Challenges***

by Ashley South

The political situation in Burma is often understood in terms of conflict between pro-democracy forces (Aung San Suu Kyi and allies) and the military government. This is problematic for two reasons. First, following elections in November last year, Burma is best characterized as a mixed-authoritarian regime, rather than a military dictatorship. Second, in addition to the “democracy issue”, politics in Burma is shaped by historically rooted conflicts between a state associated with the Burman majority and the aspirations for self-determination of ethnic communities, who make up about 30 percent of the population. Thus, the repeated demands for tripartite dialogue - between the government, the democracy movement, and ethnic nationality communities.

Following the formation of new administration in 2011, governance structures in Burma are more complex than before. The executive and two national-level assemblies are dominated by the Union Solidarity Development Party which engineered victory in the elections. Nevertheless, there are tensions and conflicts of interest between the new Army leadership and the USDP, which includes newly retired military officers, not all of whom are happy with their new civilian status and may wish to exert a degree of parliamentary authority. Furthermore, the USDP includes many co-opted but relatively independent figures, who enjoy some personal legitimacy, particularly in the decentralized states and regions. These provincial assemblies also include many successful candidates from non-government-controlled ethnic nationality parties, some of whom have been appointed to executive positions in state governments.

Most non-USDP state-level ministers are being cautious, waiting to see what space is available to them. However, some are demonstrating greater confidence in their authority, taking initiatives on locally important issues. At the national level, an alliance of five ethnic nationality parties has positioned itself carefully, adopting positions that promote the interests of minority communities, while not directly challenging the government. For example, the alliance is calling for the use of minority languages in schools in ethnic-populated areas (which the government currently bans), thereby addressing one of the main grievances of ethnic communities. The military retains a strong influence in security matters and across the economy.

Burma has long experienced conflicts between the Burman majority, which has dominated the political establishment since independence in 1948, and representatives of the country's diverse ethnic minority communities. For more than half a century much of the countryside has been affected by civil war and its aftermath.

Burma's ethnic conflicts are structured by a mixture of genuine political grievances, exacerbated by widespread human rights violations (particularly on the part of government forces), combined with economic motivations for insurgency and the institutionalization of violence. Insurgent groups remain active in some

areas, the strongest being the Karen National Union and Shan State Army in the southeast. Ongoing armed conflicts have forced over half-a-million people to flee their homes, with 150,000 refugees and some 2 million migrant workers crossing the border to seek refuge and/or livelihood in Thailand.

Most armed ethnic groups agreed to ceasefires with the previous government in the 1980s and 1990s. Although people living in ceasefire areas continue to suffer a range of abuses, human rights conditions are generally better than in zones of armed conflict. Furthermore, the ceasefires have created political space within which civil society networks have been able to flourish. However, the international community has largely failed to support the ceasefire process in Burma, resulting in missed opportunities.

Crucially, the ceasefires have not resolved the political grievances that have structured armed conflict in Burma. In particular, the 2008 constitution (which came into effect this year) excluded most of the ceasefire groups' demands for ethnic self-determination.

Although the majority of ceasefires have remained intact - at least until now, some of these truces have since broken down, mostly as a result of opportunistic attacks by government forces. Since April 2010, the ceasefires have come under pressure as the previous military government sought to incorporate ceasefire groups into the Burma Army, undermining their administrative and military autonomy. Some smaller groups have complied, while more powerful actors have thus far resisted (e.g. the main Kachin, Wa, and Mon groups). It is yet to be seen whether the new government will continue pressuring non-compliant groups to transform into Border Guard Forces (BGF). If the government continues to push the issue, armed conflict could resume across much of the north and east, undermining hard-won peace dividends.

The situation in a number of areas is very tense. Units of the main Shan ceasefire group have returned to armed conflict, as has one faction of the main Karen group (the Democratic Karen Buddhist Army). In the past two weeks, more DKBA units have rejected the BGF transformation, and are threatening to return to war. Several skirmishes, and at least one major battle, have also broken out between the government and the Kachin Independence Organization (KIO). The Kachin communities are particularly concerned about Chinese construction of a large hydropower dam in their homeland. As I write, ethnic communities along the Chinese and Thai borders are bracing for a new round of fighting, as the KIO and DKBA ceasefires seem on the point of collapse.

The fate of the ceasefires lies with the Army. Most ceasefire group leaders are deeply unhappy with the government's failure to accommodate their political demands. Several have made aggressive statements and other gestures, including forming a new alliance earlier this year with the still-insurgent KNU (the United Nationalities Federal Council). While few field commanders relish the prospect of a return to armed conflict, they have demonstrated a willingness to fight if provoked by government forces, either as part of Nay Pyi Daw's strategy or because local brinkmanship gets out of control.

Given the strength of ethnic communities and armed groups' grievances, the next year or so will likely see increased levels of armed conflict in Burma's borderlands, with serious humanitarian consequences for civilian populations. Nevertheless, in the middle-to-longer term, armed conflict in Burma will gradually

wind down, as it has in most other countries in the region. This is because Thai, Chinese, and other security and business actors have significant interests in 'stabilizing' Burma's border regions. A series of large-scale infrastructure development projects are scheduled for ethnic nationality-populated areas, which will have significant impacts. For example, the Dawei Deep Sea Port project, to be implemented by Italian-Thai PCL on the southern Tenasserim seaboard, is scheduled to involve \$18 billion investment (phase 1 only; full implementation could total \$40 billion - several times Burma's current GDP). A similar project is scheduled for western Burma (Rakhine State), with a deep-sea port and pipeline running up to China.

These infrastructure development projects will allow China to access resources from the Gulf and elsewhere, bypassing the Straits of Malacca. This explains China's geostrategic interest in Burma and its willingness to provide the generals diplomatic cover (for example by vetoing any Burma-related resolutions at the UN Security Council). In the meantime, the government continues to derive significant income from oil and gas sales (at least \$2.5 billion annually - rising to more than twice this much over the next decade). This revenue stream insulates the government from the impacts of Western sanctions.

If armed conflict is not a viable long-term strategy for promoting ethnic nationality interests in Burma, what are the alternatives? Armed ethnic groups position themselves as the sole legitimate representatives of Burma's minority communities, and have generally been accepted as such by the international community. However, while insurgent groups do enjoy varying degrees of legitimacy within the communities they seek to represent, these are just one set of actors among many voices within minority communities in Burma. The relative success of ethnic nationality parties in the November 2010 elections (particularly in Shan, Rakhine, Chin, Mon, and Karen areas) demonstrates that there are significant political actors within minority communities, beyond nonstate armed groups. Furthermore, over the past decade-plus, a wide range of civil society networks have emerged within and between Burma's ethnic nationality communities, working on community development, education, and humanitarian activities. Civil society networks inside the country operate independently of the government, and in most cases are working toward long-term social-political change. However, these groups are less well known and well-funded than the range of dynamic ethnic nationality organizations working in partnership with opposition groups in the border areas.

The Burmese military remains deeply unpopular. Another mass uprising in Burma - such as occurred (but failed) in 1988 and again in 2007 - cannot be ruled out. However, the military-backed government seems to be in firm control - for the time-being at least. Therefore, many political and social activists have opted for long-term, incremental approaches to change.

At the elite-level of politics, the next big challenge facing Burma's generals and politicians is how the government and opposition handle Aung San Suu Kyi's plans to begin travelling around the country, presumably mobilizing her many supporters. On the ethnic front, the key issue is whether the new government will seek to distance itself from its predecessor, or move forcefully against non-compliant ceasefire groups. Which policies are adopted by Nay Pyi Daw will depend largely on whether the military-backed government feels confident in its control of the domestic political process - rather than on the pronouncements or interventions of

Western powers. Much also depends on the actions - and vested interests and entrenched identities - of local military commanders.

Burma's rulers have long been adept at playing off global and regional powers against each other. Given Burma's importance to China, India, and members of the ASEAN regional grouping (especially Thailand), the new government holds most of the cards - despite its widespread unpopularity, both domestically and in the West.

The Obama administration has indicated its willingness to engage with Burma, if it demonstrates seriousness regarding reform. Such 'critical engagement' offers more hope for success than failed sanctions policies. Indeed, the West's attempts to isolate Burma have driven the country further into the Chinese sphere of influence. Therefore, a more nuanced and realistic approach is required - supporting progressive actors on the ground, continuing to hold the government accountable, and talking to regional powers about how to achieve common understandings on Burma.

Concerted and timely action on the part of the international community could help persuade the new government that its best interests lie in demonstrating progressive credentials, and distancing itself from previous military regimes. The government should be encouraged to preserve the peace in relation to ceasefire groups. It should also decentralize authority, particularly in the fields of development and social welfare, to the new state-level administrations.

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