The breakdown in the ceasefire of the Kachin Independence Organisation (KIO) with the central government represents a major failure in national politics and threatens a serious humanitarian crisis if not immediately addressed. Over 11,000 refugees have been displaced and dozens of casualties reported during two weeks of fighting between government forces and the KIO. Thousands of troops have been mobilized, bridges destroyed and communications disrupted, bringing hardship to communities across northeast Burma/Myanmar.

There is now a real potential for ethnic conflict to further spread. In recent months, ceasefires have broken down with Karen and Shan opposition forces, and the ceasefire of the New Mon State Party (NMSP) in south Burma is under threat. Tensions between the government and United Wa State Army (UWSA) also continue.

It is essential that peace talks are initiated and grievances addressed so that ethnic conflict in Burma does not spiral into a new generation of militarised violence and human rights abuse.

To date, no transparent or inclusive process of peace talks has been established. Burma remains a land in political transition, and the Kachin crisis signifies the first major challenge to the new government, under President ex-Gen. Thein Sein, that assumed power in March 2011. But no clear or coherent policy has emerged among government authorities to address the causes behind the KIO and other ethnic struggles. Different ministers, military officers and representatives in the new system of legislatures are competing to set policy.

For its part, the KIO accuses generals of the national armed forces, known as the Tatmadaw, of continuing a long-term strategy to marginalize and repress ethnic minority groups.

Conclusions and Recommendations

- It is imperative that ceasefire talks resume and that all armed actors, both government and KIO, pursue peaceful processes that will bring lasting inclusion and stability. Priority must be given to the humanitarian needs of peoples in the conflict-zones.

- The new government must seek to peacefully address ethnic conflicts in the country. The occasion of a new government provides an opportunity to resolve Burma’s long-standing political and ethnic crises. Failure in 2011 will only perpetuate conflict and state under-achievement for another generation.

- It is vital that the new government pursues policies that support dialogue and participation for all peoples in the new political and economic system. Many communities and parties remain marginalised outside the new structures of administration. Policies that continue to favour the armed forces and military solutions will perpetuate resentment and division.

- With the advent of a new government, opposition groups should seek to find ways to support progressive political reform through democratic processes. National unity and participation are essential to achieve democratic and ethnic reforms.

- The international community must promote conflict resolution, political rights and equitable opportunity for all ethnic groups in every sector of national life, including the economy, health and education. Burma is at a critical stage in political transformation. Policies that truly support national inclusion and stability are essential.
Burma has remained under military-dominated governments since 1962. In response, the KIO has allied with Chin, Karen, Karenni, Mon and Shan armed forces in seeking joint negotiations with the new government to redraw the political landscape. Four months into the life of a new political system, ethnic tensions are deepening not reducing in the country.

The implications could not be more serious. Ethnic ceasefires were a flagship policy of the military State Peace and Development Council (SPDC) that preceded the Thein Sein government. At its 1994 inception, the KIO ceasefire was promoted as a model for Burma. Development projects started and international aid organisations returned to a conflict-zone that had been off-limits to outside visitors for decades. More recently, foreign investment – primarily Chinese – has accelerated. Economic and humanitarian challenges have remained acute. But protagonists on the different sides maintained a public commitment to dialogue and the goal of resolving political problems by political means.

Such a collaborative path is now under threat, raising questions about ethnic peace and stability throughout the country. The way that the Thein Sein government seeks to address the crisis could well determine the pattern of national politics for a generation to come. The international community is watching closely. Will conflict or peace prevail? The warnings from Burma’s troubled history are clear.

### BACKGROUND

Ethnic conflict in Burma has continued through every political era since independence in 1948. In the process, countless lives have been lost, millions of citizens displaced and the country declined to become one of Asia’s poorest. Meanwhile many borderlands have remained under the control of different ethnic nationality forces that have contested the authority of central governments, mostly military, in the Burman-majority heartlands. Ethnic minorities are today estimated to make up a third of Burma’s 56 million population.

Ethnic volatility has always accompanied periods of political change. Perceptions of discrimination and marginalization have consistently fuelled conflict. The first upsurge occurred in 1948 when the Karen National Union (KNU) and other ethnic parties challenged Burma’s new parliamentary system; in 1962 when the Tatmadaw seized power and tried to impose Gen. Ne Win’s monolithic “Burmese Way to Socialism” on the country; and in 1988 when the SPDC (initially State Law and Order Restoration Council - SLORC) suppressed pro-democracy protests, re-imposing military control.

Over six decades later, the KNU remains in armed struggle and over twenty ethnic opposition organisations, with over 40,000 troops under arms, continue to administer their own territories in the borderlands. At the same time, there are 16 newly-formed ethnic nationality parties that won seats in the 2010 general election, and a similar number of electoral groups outside the government’s political process. These include political parties which, like the National League for Democracy (NLD), won seats in the 1990 general election. During a time of change, the future of all these parties is presently unclear.

Against this backdrop, the need has always continued for an inclusive peace process in which
political and ethnic challenges are addressed. But in 2011, just four months after the new government was introduced, there are already warnings that Burma’s tragic cycles of ethnic grievance and insurgency could be repeated.

THE KACHIN INDEPENDENCE ORGANISATION

Formed in 1961, the KIO has long been among the most political of Burma’s different ethnic forces. Initially established in response to economic and religious discrimination (most Kachins are Christians), the KIO rapidly expanded its territories during the 1960s following Gen. Ne Win’s military coup. With popular support and control of the lucrative jade trade, the KIO was able to establish extensive “liberated zones” in the Kachin state and northern Shan state. It also became a key member of the National Democratic Front (NDF - established 1976) with the KNU and other federal-seeking ethnic forces.

Following the SLORC-SPDC’s assumption of power in 1988, the KIO was initially a principal actor in the changing politics in the borderlands, providing sanctuary to students and democracy activists who had fled from urban areas. But under the late KIO Chairman Brang Seng, the party also advocated peace talks and involvement in opportunities for political change under the new government.¹ Kachin leaders believed that decades of conflict had only brought suffering to the country, and this view was agreed with in discreet exchanges with Gen. Khin Nyunt, the regime’s Military Intelligence chief and future prime minister.

As all sides recognised, the political landscape was changing. This was highlighted by the 1989 collapse of the Communist Party of Burma (CPB), the country’s strongest insurgent force, due to mutinies by troops who subsequently formed the UWSA, New Democratic Army-Kachin (NDA-K)² and other ethnic organisations that quickly agreed ceasefires with the SLORC-SPDC government. Subsequently, the NLD won a landslide victory in the 1990 election – a win the KIO applauded. Importantly, too, the following year several hundred KIO troops in the northern Shan State mutinied to agree their own ceasefire with the military government. The momentum towards a complete Kachin truce was increasing.

THE KIO CEASEFIRE

After protracted talks, the KIO ceasefire was eventually agreed in February 1994. The KIO became one of four NDF forces, including the Shan State Army-North (SSA-N) and NMSP, that changed their strategy from armed struggle in border-based alliances such as the National Council Union of Burma to dialogue in political and economic processes established by the SLORC-SPDC. Under the ceasefire terms, the KIO was allowed to maintain its arms and territory until a new constitution was introduced. In the meantime a policy of “peace through development” was initiated to support reconciliation and the rehabilitation of communities long-devastated by war.

The impact was immediate. With support from the Kachin Baptist Convention, Catholic Church and other community-based groups, aid projects spread across northeast Burma in both KIO and government-controlled areas, and international visitors were officially allowed to return for the first time in over three decades.³

Social and economic progress, however, was contentious and slow. Particular humanitarian challenges developed in Kachin communities, including rising heroin use and HIV, that had not been anticipated. At the same time, Tatmadaw rule continued in many areas, and the perception grew that it was the central government and outside business interests that were benefiting from the ceasefire – not the local peoples. This was first evidenced when the Hpakant jade mines came under government control. Disquiet only increased when regime-favoured companies such as Htoo Trading and Yuzana were given extensive business contracts across the Kachin state.

The growing influx of Chinese business interests and workers was equally controversial for local peoples. At first, Chinese involvement mainly centred on gold-mining, logging and natural resource extraction. But more recently, the SPDC and China promoted major hydro-power projects, with the electricity largely intended for export to China. This caused growing protest and even attack from the local communities. A particular cause of resentment is the Myitsone Dam project on the confluence of the Mali Kha and N’Mai Kha rivers, marking the start of the Irrawaddy river, which has long been a symbolic heritage-spot for the Kachin people.⁴
For its part, the KIO also became involved in business activities through its front-company Buga. Along with the smaller ceasefire group NDA-K, this attracted criticism for alleged profiteering with Chinese partners and a lack of environmental concern, especially in logging.7

In response, KIO leaders claimed that, without access to loans or international aid, the party does not have sufficient funds to finance development projects needed by the people. The KIO, for example, has developed smaller hydropower projects and, since 2007, supplied electricity to the Kachin state capital Myitkyina.

Nevertheless, as time passed, the KIO also began to express concern about the nature of government economic activity in Kachin territories. In March 2011, KIO Chairman Zawng Hra wrote an open letter China’s President Hu Jintao asking him to stop the Myitsone Dam, warning that it could lead to “civil war”.8 Ultimately, however, it was over politics – not economics – that the KIO ceasefire broke down.

TENSIONS BUILD

Following the KIO ceasefire breakdown on 9 June 2011, a blame game immediately started as to the cause of conflict. After a series of confrontations, the KIO claimed it was forced to go on to a war-footing after a KIO corporal was returned dead in a prisoner exchange who had been tortured and killed; the three Tatmadaw prisoners, the KIO said, had been released unharmed.9 The KIO also wanted the International Criminal Court to take action. On the government side, the state media claimed that the Tatmadaw had only responded in self-defence to protect Chinese workers after the KIO “opened fire” near Bhamo at the Tarpein hydroelectric project, a joint venture between Burma’s Electric Power Ministry and the Datang Hydropower company of China.10

Serious and disturbing as these allegations are, they do not explain how the KIO ceasefire came to collapse. As any visitor to the Kachin state and adjoining Shan state was aware, ethnic tensions had long been rising, with many inhabitants openly predicting war. The speed with which hostilities spread in mid-June only confirmed such fears. The government accused the KIO of destroying 25 bridges within the first week, while the first government casualties reportedly included Tatmadaw troops who tried to attack KIO positions through minefields.

In reality, the conflict resumption was due to two unresolved issues – political and military – that had not been addressed during the 17 years of ceasefire. Contrary to KIO expectations, political dialogue had been very slow. The ruling generals of the SLORC-SPDC always said that, as a military government, they could only negotiate on military and not political issues. Instead, the KIO and other ceasefire groups agreed to join the regime-organised National Convention to draw up Burma’s new constitution in a national framework with other selected parties. However, while it started in 1993, the National Convention did not finish its work until 2008.

Ethnic discontent was apparent throughout these long years. The KIO put forward its political demands via a 13-party ceasefire grouping led by ex-NDF parties that sought a federal or union system of government. Meanwhile a four-party ex-CPB group, led by the UWSA, proposed autonomous regions similar to those in China. None of these claims was accepted. Thus the ceasefire groups requested that their proposals remained in the political record so that they could be discussed again in the future system of parliamentary government.

Unease, however, was growing. A series of events in the past few years stoked fears that Snr-Gen. Than Shwe and the ruling generals were seeking to marginalize the KIO and other parties that maintained a strong political stand in favour of democracy and against a military role in government.

First, in 2005 a number of prominent Shan leaders were arrested and sentenced to jail terms of up to 106 years for alleged sedition, including Hso Ten of the ceasefire group SSA-North and Hkun Htun Oo of the electoral Shan Nationalities League for Democracy. Kachin and Shan politics are closely intertwined in northeast Burma, and KIO leaders were shaken by this clampdown.

Second, without prior consultation, in April 2009 the SPDC pre-empted discussion on the future of the ceasefire groups with the surprise order that they must all transform into Border Guard Forces (BGF) under Tatmadaw control.

Ceasefire groups were divided by this demand. Most smaller forces, including the NDA-K, agreed. But stronger parties, such as the KIO, NMSP, SSA-N and UWSA, wanted dialogue. Political reforms were yet to be introduced, and
there had been no agreement about how ceasefire parties and administrative territories would integrate into the future political system. The issue of military transformation of up to 8,000 KIO troops into new units under Tatmadaw authority was also highly controversial. As many ethnic nationalists pointed out, they had not taken up arms to join the Tatmadaw.

Tensions then worsened in August 2009 when the SPDC sent in troops against the ceasefire Myanmar National Democratic Alliance Army in the Kokang region in northern Shan state to support a faction that agreed to the BGF orders. KIO 4th Brigade territory is close to the scene of conflict. 37,000 refugees fled into China, and as many as 200 people were killed or wounded. Against this backdrop, the KIO, SSA-N and an influential core of ceasefire groups allowed a final SPDC deadline of 1 September 2010 for BGF transformation to pass.

Finally, the eventual breakdown in relations between the KIO and government was precipitated by a failure in politics. The KIO and other ceasefire groups hoped that dialogue would be possible with a civilian government in the new multi-party system of politics following the general election in November 2010. However, while a diversity of ethnic parties were allowed by the Election Commission to stand in other parts of the country (including ceasefire groups5), the registration of a KIO-backed Kachin State Progressive Party (KSPP) was rejected. The NLD, which had won the majority of seats in the Kachin state in the 1990 election, also decided not to contest the 2010 polls because of political restrictions.

In the KSPP and NLD absence, elections to the new legislatures representing the Kachin state were dominated by the military-backed Union Solidarity and Development Party (USDP). In addition, 25% per cent of all seats in the new legislatures, including the Kachin state assembly, are reserved for Tatmadaw representatives. 6 In the view of many citizens, the election process was deeply flawed. 7

In summary, after 17 years of ceasefire, a new system of theoretically democratic government was introduced in Burma in March 2011 without a representative Kachin party or the inclusion of the KIO that had led the struggle for Kachin rights since 1961. A limbo land now existed of neither war nor peace.

CONFLICT RESUMES

Despite the KIO’s exclusion, many Kachin leaders hoped that a return to conflict could be avoided. In particular, aspirations remained that processes would be established through the new legislatures and by the government of President Thein Sein that would allow a return to dialogue. As political actors throughout the country are aware, the emergency in Kachin state is only a reflection of crises in many other regions during the present time of political transition.

To date, however, no clear strategy for conflict resolution has emerged from the government—nor an indication as to who is really making political and ethnic-related decisions now that Snr-Gen. Than Shwe and the SPDC have officially stepped down.

In the SPDC era, Tatmadaw interlocutors always said that key decisions had to be referred back to Than Shwe. But following the announcement of the BGF order, the ceasefire issue was allowed to drift. Instead, the main priority was the establishment of the new political system in the capital Nay Pyi Taw. Meanwhile Tatmadaw commanders in the front-line were allowed a mostly free hand while seeking to impose the BGF order. This meant that military rather than political-based strategies dominated in the ethnic borderlands.

Against this backdrop, the political climate steadily worsened, with both sides upping the stakes. Following the September rejection of the BGF deadline, the KIO and other recalcitrant forces were informed that their truces with the SPDC now existed on only “pre-ceasefire” terms. The state media also began to refer to the KIO as an “insurgent” group 8, causing consternation in many communities.

The KIO, too, began to change its political language. Despite the SPDC’s rejection of the KSPP, the KIO did not seek to interfere with the November election—although there were large areas (largely KIO controlled territories) where no voting took place. But the KIO did step up contacts with other armed ethnic opposition forces, including its former NDF allies. Downplaying government concerns, KIO leaders contended that this was their political right.

After several months of discussions, the result was the formation in February 2011 of the United Nationalities Federal Council (UNFC),
which includes three ceasefire groups (KIO, NMSP and SSA-N) and three non-ceasefire groups (Chin National Front, Karenni National Progressive Party and Karen National Union). Calling on the new government to halt military offensives, UNFC leaders pledged to work together by political and military means to achieve “democracy” and “national unity” in the new political era.16

The spread of armed violence was slowly increasing in the country. A main upsurge was in the Karen state, where elements of the Democratic Karen Buddhist Army that rejected the SPDC’s BGF order resumed armed struggle and re-allied with their insurgent KNU “mother party”.17

Equally ominous, in March the Tatmadaw launched military operations against a UNFC ceasefire member, the SSA-N, the majority of whom had refused the SPDC’s BGF order.18

While most international attention was focused on the new government in Nay Pyi Taw, the ethnic landscape was changing and some key ceasefires were unravelling.

For many citizens, the eventual breakdown of the KIO ceasefire in mid-June thus came as no surprise. The only question was when. If conflict had not broken out at the Tarpein hydroelectric project, then it could have happened elsewhere.

With the end of the SPDC era, a new and uncertain future awaits peoples across the country.

OUTLOOK

What follows next raises fundamental challenges for all parties in national politics in Burma. A humanitarian crisis is emerging, with over 11,000 refugees already in the China borderlands. Communications have been disrupted in many Kachin areas. International governments have immediately expressed their concerns. The ceasefires of the NMSP and UWSA are also under threat, and there is the real potential for conflict to spread.

Of particular importance is China, which in the past three years has agreed a number of major hydropower, oil and gas pipeline projects with the Burma government that will connect through the Yunnan borderlands. After the KIO ceasefire breakdown, a Chinese Foreign Ministry spokesman urged the “two parties to exercise restraint” and “resolve the relevant disputes through peaceful negotiations”.19 But although the Chinese authorities have tradition-

ally maintained sympathetic relations with ethnic parties along the Yunnan border, many citizens wonder which way China will turn if fighting escalates. The days when China backed the insurgent CPB are over. In the 21st century, China has major investment interests in the country and has continued to support Burma’s military leadership in regime transition.

In the final analysis, however, peace can only be achieved among Burma’s peoples themselves. Following the ceasefire breakdown, ex-Gen. Thein Zaw, a former SPDC minister and leader of the Kachin state USDP, sent four selected members from the unofficial Kachin National Consultative Assembly to offer another truce.20 The KIO, however, refused, saying that concrete proposals are required in writing from government officials.

Given the failures of the past, the KIO added that, under the new government, a substantive process is needed that will include broader conflict and political issues, including peace talks with fellow UNFC members. Without such guarantees, Kachin leaders fear that the new government will continue – under the influence of Tatmadaw hardliners – to try and marginalise opposition groups one by one rather than seeking solutions for the whole country. The Tatmadaw leadership is predominantly ethnic Burman. One KIO official privately said, “Democratic governments talk, they don’t fight, with the people.”

Certainly, other parties in the country are supporting the calls for peace. These include fellow ethnic forces and also the NLD, which issued a statement urging the parties “to negotiate their differences peacefully for the unity of the country and the benefit of the people.”21 At the same time, KIO leaders joined a celebration party for Aung San Suu Kyi’s birthday at its Laiza headquarters on the China border.22

Meanwhile, despite the public silence of government officials, the state media appeared to offer an olive branch in the days after the ceasefire breakdown, saying that the government “would open the door of peace to welcome those who are holding different views” if they entered the democratic system.23 But the Thein Sein-USDP government has yet to unveil any reconciliation plan. In an April speech, President Thein stated that ethnic peace is “essential” for progress. “Without national unity, the country, where over 100 national races have been living together,
cannot enjoy peace and stability,” he said. The prospects of peace, however, remain very unsure.

**CONCLUSION**

The stage is delicately set. The new government still has time to address the country’s long-standing political and ethnic crises anew. Despite its weaknesses, the 2010 general election produced the platform for a new constitution and system of government. The challenge now is to move forward, and the ball is very much in the government’s court.

Sincere, inclusive and considered polices could mean that the new government will be the first to achieve ethnic peace in Burma since independence. Failure, however, will only condemn the country and its peoples to another cycle of suffering and state under-achievement. Critical times lie ahead.

**NOTES**

1. In 1989 the 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. Myanmar is not commonly used in the English language. Burma is used in this report. This is not intended as a political statement.
3. The views of KIO and Kachin representatives in this report are based upon interviews over many years.
4. The NDA-K is a faction among local Kachin subgroups in the Kambaiti area that defected from the KIO in 1968 to join the insurgent CPB. In 1989, its leader Ting Ying mutinied from the CPB to form the NDA-K and agreed a ceasefire.
7. See for example, Global Witness, “A Disharmonious Trade: China and the continued destruction of Burma’s northern frontier forests”, October 2009.
14. The KSPP was planned as a state-based – not ethnic-based – party. A similar party was formed – and rejected by the Election Commission – in Kachin-inhabited areas of the northern Shan state. NDA-K members also supported the KSPP. After the KSPP’s rejection for registration, the NDA-K leader Ting Ying was allowed to stand as an independent, and was elected to a seat in the upper house.
15. See for example, New Light of Myanmar, 15 October 2011.
17. Mostly Buddhist troops defected from the KNU in 1994 in the central Karen state to establish the DKBA and agreed a ceasefire with the SLORC-SPDC.
18. Since the ceasefire breakdown, the SSA-N has resumed its former political name, the Shan State Progress Party, and allied with the non-ceasefire SSA-South.
20. The KNCA is an informal body, initially promoted by the KIO, to support social and political discussions during the ceasefire period.
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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