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# NEITHER WAR NOR PEACE

THE FUTURE OF THE CEASE-FIRE  
AGREEMENTS IN BURMA

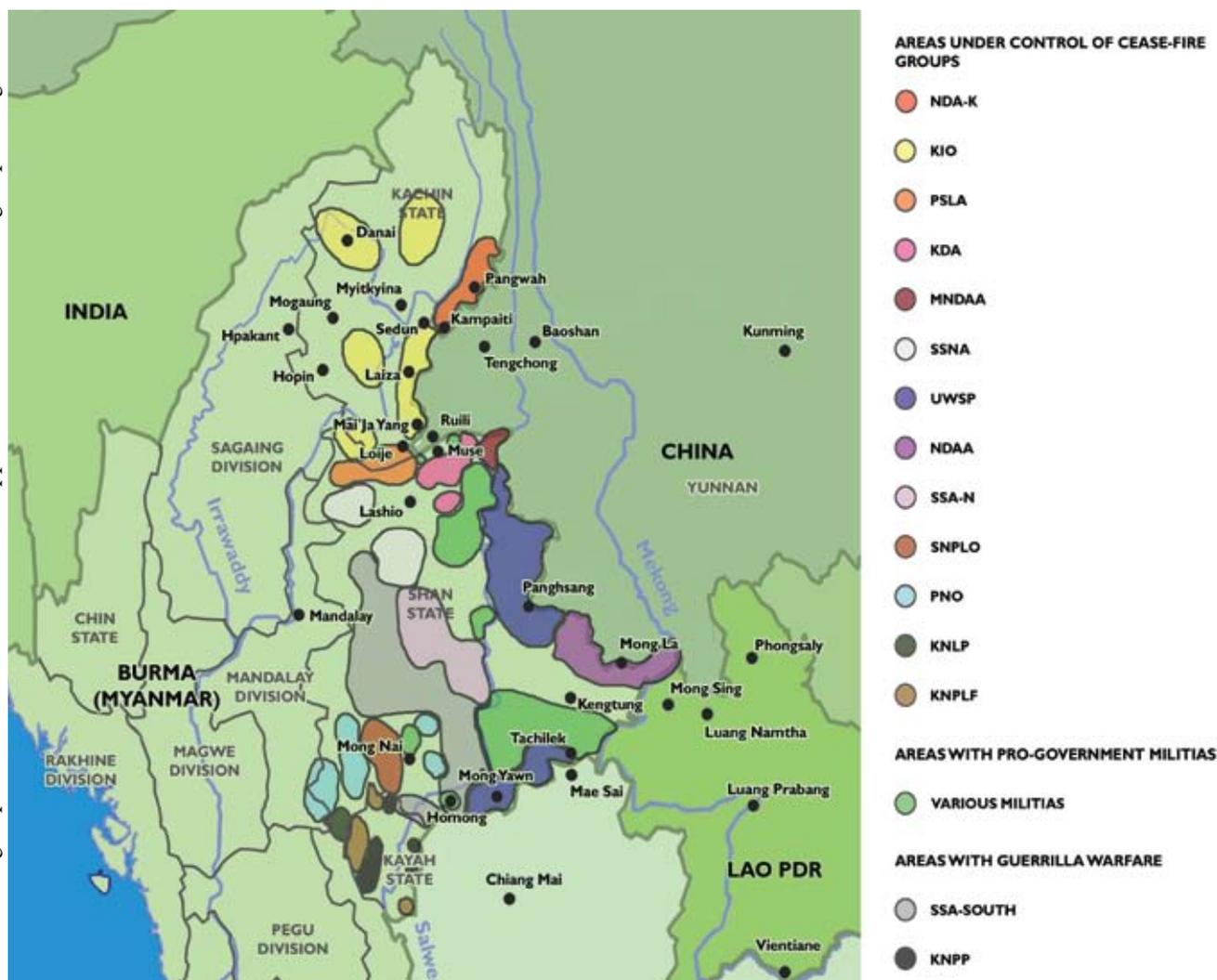


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Main armed groups in northern Burma. Areas are approximate, status of some groups changed



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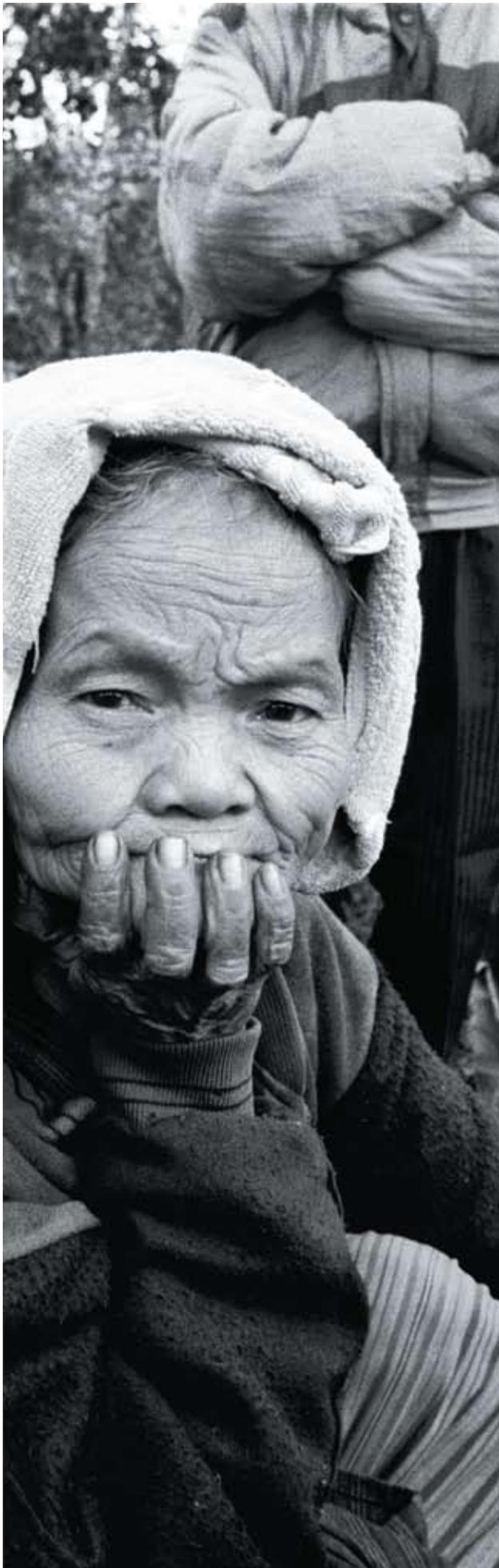
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# Contents

<b>Introduction</b>	<b>2</b>		
<b>Burma: Ethnic Conflict and Military Rule</b>	<b>4</b>	<b>The Cease-fire Economy</b>	<b>24</b>
Conflict Actors	4	Infrastructure	24
Independence and Civil War	5	Trade and Investment	25
Military Rule	6	Mono-Plantations	25
Cold War Alliances	7	Investment from Abroad	25
 <i>The Democracy Movement</i>	7	Logging	26
		Mining	27
		Drugs Trade	27
<b>The Making of the Cease-fire Agreements</b>	<b>8</b>	<b>International Responses to the Cease-fires</b>	<b>30</b>
The Fall of the CPB	8	The Role of Neighbouring Countries	30
The First Round of Cease-fires	9	The US and Europe	31
The NDF and the Second Round of Cease-fires	9	Isolation	31
Kachin Independence Organisation (KIO)	10	<b>Prospects for the Future</b>	<b>32</b>
Thai Pressure	10	The National Convention	32
New Mon State Party (NMSP)	11	 <i>The SPDC's 'Seven Step Roadmap'</i>	33
Karenni National Progressive Party (KNPP)	11	Khint Nyunt's Fall	33
Karen National Union (KNU)	12	The 2008 Constitution	34
Surrender of the Mong Tai Army (MTA)	12	The 2008 Referendum	35
Contents of the Agreements	13	The Elections of 2010	35
 <i>Special Regions</i>	13	Disarmament or 'Border Guard Force'?	35
 <i>Mediators</i>	14	The Future: War or Peace?	36
 <i>Break-away Groups</i>	15		
 <i>Militias</i>	15		
<b>Goals and Strategies of Cease-fire Groups</b>	<b>16</b>	<b>Conclusion</b>	<b>37</b>
United Wa State Party (UWSP)	16	<b>Notes</b>	<b>38</b>
Kachin Independence Organisation (KIO)	17	<b>Abbreviations</b>	<b>40</b>
Pao National Organisation (PNO)	17	<b>Bibliography</b>	<b>40</b>
New Mon State Party (NMSP)	18		
Other Groups	18		
Leadership Style	18		
Governing Capacity	18		
Vision for Socio-Economic Development	18		
Vision for Political Change	19		
Abuses Against the Population	19		
<b>Impact of the Truces</b>	<b>20</b>		
End of Fighting	20		
Reduce Human Rights Violations	20		
Resettlement of Refugees and IDPs	21		
Travel and Communication	21		
Space for Development	21		
Space for Civil Society	22		
Lack of Political Progress	23		
Expansion of the Burma Army	23		
Corruption	23		



## Introduction

This year marks the twentieth anniversary of the first cease-fire agreements in Burma, which put a stop to decades of fighting between the military government and a wide range of ethnic armed opposition groups. These groups had taken up arms against the government in search of more autonomy and ethnic rights.

The military government has so far failed to address the main grievances and aspirations of the cease-fire groups. The regime now wants them to disarm or become Border Guard Forces. It also wants them to form new political parties which would participate in the controversial 2010 elections. They are unlikely to do so unless some of their basic demands are met. This raises many serious questions about the future of the cease-fires.

The international community has focused on the struggle of the democratic opposition led by Aung San Suu Kyi, who has become an international icon. The ethnic minority issue and the relevance of the cease-fire agreements have been almost completely ignored.

Ethnic conflict needs to be resolved in order to bring about any lasting political solution. Without a political settlement that addresses ethnic minority needs and goals it is extremely unlikely there will be peace and democracy in Burma. Instead of isolating and demonising the cease-fire groups, all national and international actors concerned with peace and democracy in Burma should actively engage with them, and involve them in discussions about political change in the country.

This paper explains how the cease-fire agreements came about, and analyses the goals and strategies of the cease-fire groups. It also discusses the weaknesses the groups face in implementing these goals, and the positive and negative consequences of the cease-fires, including their effect on the economy. The paper then examines the international responses to the cease-fires, and ends with an overview of the future prospects for the agreements.





## Burma: Ethnic Conflict and Military Rule

Burma is a very ethnically diverse country, with ethnic minorities comprising about 40 percent of its estimated 56 million population. The State Peace and Development Council (SPDC), as the current military government calls itself, officially recognises 135 different ethnic groups divided into 8 major 'national ethnic races'.<sup>1</sup> However, reliable population figures are not available, and all data should be treated with great caution.

Under the 1974 constitution, Burma is administratively divided into seven 'divisions' (taing in Burmese), predominantly inhabited by the majority Burman population, and seven ethnic minority 'states' (pyi-neh in Burmese): Mon, Karen, Kayah, Shan, Kachin, Chin and Rakhine, reflecting the main ethnic minority groups in the country. The states comprise about 57 percent of the land area. Most of the Burman population inhabit the plains and valleys of central Burma, where they practice wetland rice cultivation. Most ethnic minorities live in the surrounding hills and mountains, and practice traditional upland slash and burn cultivation.

Neither the divisions nor states are mono-ethnic. In Shan State in addition to the Shan population, there are many other smaller ethnic groups, such as the Pao, Palaung, Wa, Lahu, and Akha. There is a significant Shan population in Kachin State, and many Burmans live in the cities and larger towns of the minority states, such as Shan State and Kachin State. Furthermore, there are substantial non-Burman population in some Burman areas, such as the Karen population in the Irrawaddy Division.

In the new controversial 2009 constitution administrative units have undergone changes, the impact of which will probably only become clear once they have been put into practice after the 2010 elections. The seven 'divisions' (taing) have been renamed 'regions' (taing-day-tha-gyi), while the seven 'states' (pyi-neh) retain their names. In addition, six new 'self-administered areas' have been created for ethnic minority groups. These are the Naga Self-Administered Zone in Sagaing Region; the Danu, Pao, Palaung, Kokang Self-Administered Zones; and the Wa Self-Administered Division in Shan State.<sup>2</sup>

### Conflict Actors

At first glance the conflict in Burma looks extremely complicated because of the many actors. Apart from the military government there is a myriad of armies and militias, some still fighting the military government, others having reached a cease-fire agreement. There is also a host of opposition groups based inside and outside the country. Furthermore, many of these groups and organisations have

suffered from splits and factional infighting, often resulting in the formation of new organisations.

However, if one takes a closer look at the conflict in Burma, three main actors can be identified: (1) the military regime in power since 1962; (2) the democratic opposition, led by Aung San Suu Kyi, General Secretary of the National League for Democracy (NLD), which won a landslide victory in the 1990 elections; and (3) ethnic minority groups, constituting a wide range of different organisations mostly formed along ethnic lines, some of which have been fighting the central government since independence.

There are two main forms of conflict in Burma. There is conflict over what the nature of the state of Burma is, and how state power (dominated today by the Burman majority) from the centre relates to the periphery, inhabited by a wide range of different ethnic minority groups. Concomitantly there is the struggle over how the state is governed. The executive, legislative and judicial powers are all controlled by the military, and this is contested by all other actors.

It is important to realise that the nature of conflict is dynamic, that Burma is a divided society and that conflict also exists between other actors, which can stimulate future armed conflict and communal violence. People and communities are divided over policy, religion, ethnicity, language and education, regionalism, and economic disparity. Since 1994 the UN General Assembly has called for a

'tri-partite dialogue' to solve the political problems between the military, democratic opposition and the ethnic minorities. All three parties have stated publicly that they aim to work towards a democratic Burma, but the military government has as yet refused to come to the negotiation table, and so political deadlock remains.

While the military government has publicly stated it is moving toward a 'disciplined democracy'<sup>3</sup>, it refused to allow ethnic rights that could be explained as going into the direction of independence or federalism. Ethnic conflict is the central issue in Burma, and needs to be addressed to end the civil war and achieve a lasting political solution. Otherwise, the prospects for peace and democratisation are grim. As a Kachin community leader said: 'Without ethnic rights there will be no peace, and without ethnic rights there will be no democracy.'

### Independence and Civil War

The civil war in Burma is one of the longest ongoing armed conflicts in the world, and has caused huge suffering for the civilian population. During the negotiations for independence from the British, Burman nationalists advocated independence as soon as possible. For ethnic minority leaders, the key issues were self-determination and autonomy to safeguard their position in a future Union of Burma. In 1947, the Panglong Agreement, intended as a basis for the new Union of Burma, was signed between

KNU soldiers near border with Thailand



Kokang soldiers



Burman politicians and ethnic minority representatives from some of the hill areas. However, the agreement was inconsistent about the rights of different ethnic minority groups, not all of which were represented at the Panglong meeting. As a result, many issues were deferred for future resolution.

This situation left the country ripe for civil war, which started shortly after independence in January 1948. Within a year, the whole country was in turmoil, with the Communist Party of Burma (CPB) going underground to fight the central government, which suffered mutinies in the army. Several newly formed ethnic minority nationalist movements, spearheaded by the Karen National Union (formed in 1947), took up arms to press their demands for more autonomy and equal rights in the Union.

By the early 1950s the war had spread to many parts of the country. The situation was further complicated by the invasion of Kuomintang remnants into north-east Shan State, following their defeat by Mao Zedong's communists. Most of the fighting has been in ethnic minority regions, which have suffered both from years of government neglect and the destruction associated with the civil war.

### Military Rule

In 1962 General Ne Win staged a coup against the democratically elected government and created a one-party state led by the Burma Socialist Programme Party (BSPP). The constitution was abrogated, all opposition put behind bars and any attempt to organise was severely repressed. All large industries and business enterprises were nationalised under the 'Burmese Way to Socialism', the BSPP's official doctrine. Burma was to become self-sufficient, and the generals isolated the country from the outside world. The country has been under military rule ever since.

By this time, the civil war had spread to Kachin and Shan State, where the Kachin Independence Organisation (KIO) and the Shan State Army (SSA) had started armed uprisings. Fuelled by growing dissatisfaction among the Kachin and Shan populations over the unequal position of ethnic minorities in the Union of Burma, the KIO and SSA were able to expand quickly.

By the 1970s the Burma army had developed a new anti-insurgent strategy. This campaign pushed the insurgents out of central Burma into the mountainous border regions, using the infamous 'Four Cuts' strategy, aimed at cutting off the links between the insurgents and the civilian

population (food, finance, recruits and intelligence), and accompanied by severe human rights abuses.

### Cold War Alliances

By the 1970s two major opposition alliances had emerged. Along the Thai border ethnic armed groups set up the National Democratic Front (NDF), which maintained a pro-West and anti-communist policy. During the Cold War Thailand was seen by US policy makers as the 'last domino' against communism in the region. While Burma was officially neutral, policy makers in Bangkok and Washington feared it would not be able to stand up against what they perceived as the 'communist threat'. Until the end of the 1980s almost all territory along the Thai border was under de-facto control of the NDF's Mon, Karen, Karenni and Shan armed opposition groups. They administered their own areas, and were given tacit support by Thai authorities. Karen National Union (KNU) President General Bo Mya once described his organisation as a kind of 'Foreign Legion' for Thailand, guarding its borders against communism and preventing a link between the Thai and Burmese communist parties.<sup>4</sup>

The other major alliance, the CPB, was supported by China. Initially Chinese support for its Burmese sister party was limited, as China maintained official relations with the neutral Burmese government. However, relations with China changed after the military coup in 1962, and deteriorated rapidly following the 1967 anti-Chinese riots in Rangoon, which the Chinese government felt were instigated, or at least tolerated, by Ne Win's regime. China subsequently put its full weight behind the CPB, and in January 1968 thousands of CPB troops invaded northern Shan State from neighbouring Yunnan Province in China. Making alliances with local ethnic Kokang, Wa and Shan leaders, the CPB was able to quickly overrun Burma army outposts and established a large liberated area encompassing nearly the entire Chinese border. The CPB succeeded in making alliances with some ethnic armed opposition groups, offering Chinese arms in return for political control.

By the end of the 1980s almost all border regions were controlled by armed opposition groups. These groups had established liberated areas where they had set up their own administration. The CPB, with Chinese support, was the largest military opposition group in the country. It was rivalled in strength by the pro-West NDF, but except for a brief accord reached in 1986, the two never established a military alliance. The gap between them was not only due to ideology (communism versus capitalism), but also reflected different geo-political interests between China and Thailand (allied with the US), which continue until today. Over the years, NDF parties were also angered by the support of the Burman-led CPB for left-wing movements within their ranks, which led to political factionalism and ethnic splits.

### The Democracy Movement

Since the 1962 coup several protests have broken out against military rule. The largest demonstrations took place in August 1988, following months of unrest, when hundreds of thousands of people took to the streets demanding an end to military rule, restoration of democracy and multiparty elections. The following month the new military government, known as the State Law and Order Restoration Council (SLORC), crushed the movement, killing many protesters. The Burma Socialist Programme Party was also abolished, and socialism disappeared as the official ideology. Since then the military regime's main ideology has been Burman nationalism, and its main preoccupation national security.

Following the crackdown, thousands of Burman activists fled the cities to the jungle camps of the armed groups in the border regions. There they hope to receive arms to fight the military regime. They set up new organisations, and joined the ethnic armies in a new umbrella group, the Democratic Alliance of Burma (DAB).

In the 1990 elections, the opposition NLD led by Aung San Suu Kyi, won a landslide victory. Rather than accept the election results, the military established a National Convention to draft a new constitution. A number of NLD members and members-elect of Parliament fled to the Thai border area to avoid arrest, setting up an exile government there.<sup>5</sup> Aung San Suu Kyi has been under house arrest most of the time since 1989. The military regime has so far refused to enter into a dialogue with her party. At the time of this writing she is held in Insein Jail, charged with breaching the terms of her house arrest, having allowed an American citizen who swam to her compound into her home. There is no independent judiciary in Burma, and foreign observers expect the military regime to find her guilty and sentence her to jail.<sup>6</sup>

Over the years numerous attempts to form all-inclusive nationwide alliances and united fronts have all failed. The opposition has remained divided over goals (independence versus federation), ethnic conflict, and strategy (armed struggle versus cease-fire versus non-violent political means). There are also conflicts over ideology (pro-Chinese communism or pro-Western capitalism) and economics (including the drugs trade), as well as old grievances and personal conflicts.

## The Origin of the Cease-fire Agreements

### The Fall of the CPB

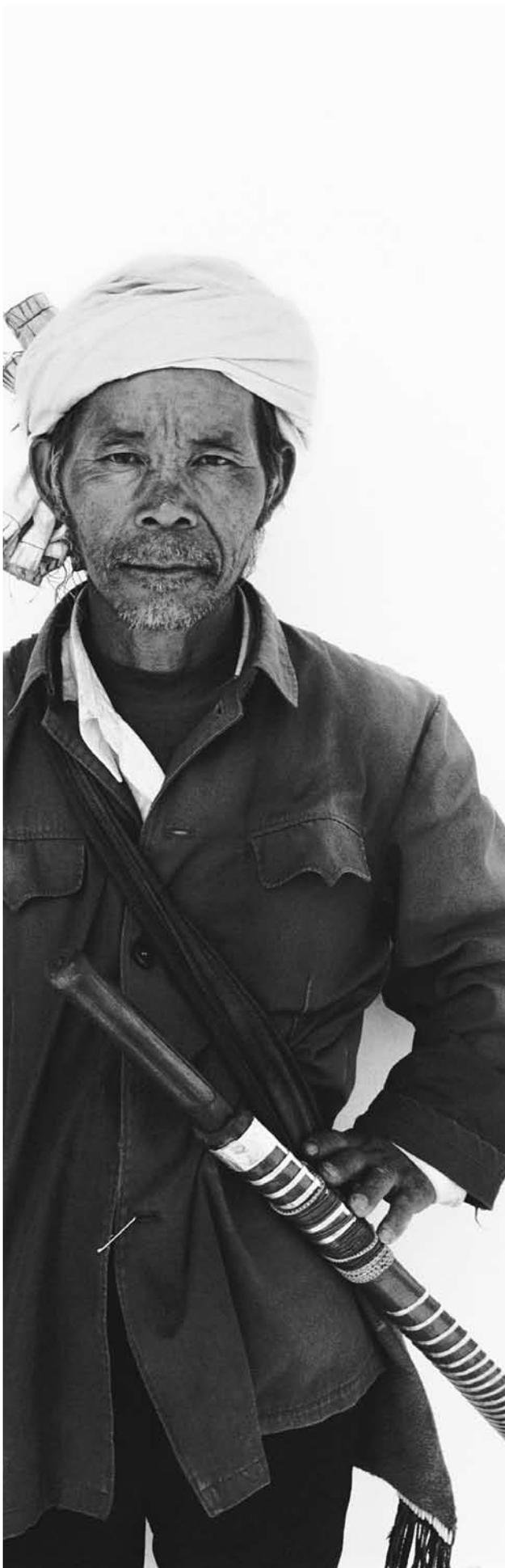
The major development preceding the cease-fire agreements was the sudden collapse of the CPB in 1989, after a mutiny by ethnic minority troops against the Burman leadership of the party. The first to rebel were Kokang troops under Phueng Kya-Shin, a local leader. When the CPB headquarters ordered Wa troops to put down the Kokang uprising, Wa commanders refused, and revolted, as well, a month later.

The Kokang and Wa mutineers were dissatisfied with the Burman CPB leaders, whom they felt were unrealistic and stubborn in their policies, and they resented that the CPB Politburo comprised almost exclusively ethnic Burmans. The mutineers felt ethnic Kokang and Wa soldiers were being used as cannon fodder in a political conflict between ethnic Burmans, bringing nothing but misery for their people and their region. 'The CPB style looked very good, they said they were serving the people', says Phueng Kya-Shin. 'But actually they destroyed the culture and history of Kokang. During CPB time not one house was constructed, and there were no roads or cars; we were still riding horses.'<sup>7</sup>

Some CPB veterans see the weakening rapport with China as the beginning of the end. In the power struggle in the Chinese Communist Party, the CPB had supported Hua Go Fong and criticised Deng Xiao Ping. When Deng came to power in 1980-81, the Chinese told the CPB they would reduce aid gradually. The Chinese also offered their volunteer workers who had joined the CPB pensions if they returned to China.<sup>8</sup> This was another immense blow, as the CPB had been almost entirely dependent on Chinese assistance. The normalisation of formal relations between China and the Ne Win military government was also an important factor. Within a few years, China became a key strategic ally of Burma.

Feeling the effects of diminished aid, in 1982 the CPB allowed its officials to tax opium, and some local CPB leaders becoming heavily involved in the opium trade. Former CPB members say that by this time, several CPB brigades started acting independently.<sup>9</sup> In an effort to control the situation, the CPB adopted a tougher policy on the opium trade at its Third Congress in 1985, which was strongly opposed by local leaders.

The deteriorating military situation further contributed to the CPB's downfall. Initially it had been successful on the battlefield, but by the early 1980s there was little risk of it marching down to central Burma and posing a threat to the central government. Furthermore, most of CPB's



People's Army consisted of highlanders uninterested in lower Burma.<sup>10</sup>

The internal purges in the CPB during the Cultural Revolution had diminished support for the party in the country; and its failure to use the 1988 demonstrations as an opportunity to create political change also contributed to the party's downfall.

### The First Round of Cease-fires

The Wa and Kokang mutineers pushed the CPB leaders across the border into China and formed a number of new organisations, mainly based along ethnic lines. These were the Myanmar National Democratic Alliance Army (MNDAA) in the Kokang region, the United Wa State Party (UWSP) in the adjacent Wa region, and the National Democratic Alliance Army (NDAA) in the Mongla region in eastern Shan State. The last group to quit the CPB was the New Democratic Army – Kachin (NDA-K) in eastern Kachin State.

Sensing the opportunity to neutralise its largest military opponent, the military government quickly sent envoys to the breakaway groups to discuss a possible truce. The main architect of this policy was Lieutenant General Khin Nyunt, head of the Military Intelligence (MI). One of the go-betweens was Lo Hsing-han, an ethnic Kokang who had been released from jail in 1980. Once branded as the 'King of Opium', Lo Hsing-han now played a key role in facilitating contact between the military government and the ex-CPB groups.

According to a government publication, 'peace emissary' Lo Hsing-han first facilitated contact with Kokang leader Pheung Kya-shin in 1987. According to the Kokang leader: "Lo Hsing-han never participated in the cease-fire negotiations. He just tried to say something good about the government, but he did not play any significant role in this."<sup>11</sup> In March 1989 Lo Hsing-han informed the regime that the Kokang group had split from the CPB and would stop fighting.<sup>12</sup>

Similarly, Lo Hsing-han was the first to meet the Wa leaders after the mutiny. He suggested to make a cease-fire with the military government, and told the Wa leaders that if they agreed, the government would give them assistance to develop their region.<sup>13</sup> The Wa, like the Kokang group, had plenty of arms and ammunition but little food after the Chinese had cut off aid following the mutiny. Armed NDF groups along the Thai border also sent a delegation to try to make an alliance and convince the ex-CPB groups to continue fighting. The Wa told the NDF delegation they could send their representative to the Wa region, but would not join the NDF because they did not want to fight anymore. Their priority, the Wa Leaders said, was peace.<sup>14</sup>

'We first established our army on 11 March 1989,' says Phueng Kya-shin. 'Then we made a cease-fire agreement with the government on 14 April 1989.'<sup>15</sup> The Wa concluded a cease-fire with the military government a month later, on May 18, 1989. The agreement stopped the fighting, and provided for government assistance in health, education and other facilities. The Kokang and Wa groups would maintain their arms and administer the territory under their control.<sup>16</sup>

These truces in northern Burma with the ex-CPB groups had huge consequences for other armed groups in the region, which had come under increased military pressure from the Burma army. Many of them had also relied on CPB support for arms and ammunition. Within a few years, most of them signed cease-fire agreements. The first was the Shan State Army in 1989, now called the Shan State Army North (SSA North).<sup>17</sup> In 1991 the KIO's Fourth Brigade in northern Shan State broke away to sign a separate cease-fire. The Palaung State Liberation Organisation (PSLO) in the northern Shan State and the Pao National Organisation (PNO) in the southern Shan State concluded truces in the same year. Like the SSA, these three new cease-fire groups were NDF members, causing surprise in ethnic political circles. Most of the early accords followed ad hoc negotiations in the wake of the collapse of the CPB.

### The NDF and the Second Round of Cease-fires

A second set of cease-fires were concluded with other NDF members in the mid-1990s as part of a more deliberate strategy of the military government. This policy was developed by Khin Nyunt, who initiated talks with the ethnic armed groups.

This initiative followed a period of large military offensives against NDF members along the Thai border (KNU, Karen National Progressive Party (KNPP) and New Mon State Party (NMSP)) and the China border (KIO). Despite several important victories, total military success was never probable. After the Burma army failed to occupy the opposition headquarters in Manerplaw, located in Karen State on the Thai border, it abruptly suspended operations in 1992.

The surprise announcement came after General Than Shwe took over as new junta leader. A number of political prisoners were released, and the military regime announced it would meet with elected MPs and promised to hold a National Convention to draft a new constitution. Aung San Suu Kyi, who had been under house arrest since 1989, was granted family visits.<sup>18</sup> Repatriation was offered to 250,000 Rohingya refugees, a Muslim minority from Rakhine State who had fled to neighbouring Bangladesh during a brutal campaign by the Burma army of the previous two years.<sup>19</sup>

Perhaps the most significant policy change was Khin Nyunt appealing publicly for talks with the armed opposition. The first announcement was made 17 November 1993, during a visit to Kayah State<sup>20</sup>. Khin Nyunt repeated his offer during visits to Mon State and Karen State. These so-called 'peace tours' were broadcast by Burmese state television, showing Khin Nyunt saying: 'We invite armed organisations in the jungle to return quickly to the legal fold after considering the good of the government... We extend our invitation with genuine goodwill. We do not have any malicious thoughts... This is official. Please respond as soon as possible.'<sup>21</sup>

### **The Kachin Independence Organisation (KIO)**

The first to make a cease-fire was the KIO in Kachin State. Since it was established in 1961 the KIO has undergone several dramatic policy shifts. Initially, it sought support from the West, especially the US and Taiwan, establishing liaison outposts on the Thai border, and maintaining good contacts with Thai officials.

During the Cold War the KIO fought not only the Burma army, but also engaged in an eight-year war with the CPB. Even today KIO officials claim they prevented Burma from falling prey to the communists. However, in 1976 the KIO leadership concluded a truce with the CPB to end the fighting. The KIO started to receive Chinese arms, but only through the CPB. At the same time the KIO became a member of the NDF.

Efforts by the KIO to form an alliance between the NDF and the CPB failed (except for a brief agreement in 1986), mainly because the KNU refused to accept this. At the same time the end of the Cold War meant that international support for insurgency groups had disappeared. From 1992 pressure on the KIO also increased after its Fourth Brigade in northern Shan State broke away to make a separate cease-fire with the regime.

All these factors prompted the KIO to consider a new strategy, exploring possibilities for negotiations with the military regime in 1990. By early 1993 the KIO was reporting that these talks had 'progressed between the KIO and the [regime] to the point where it is now possible to implement a nationwide ceasefire if all combatant parties involved are willing to come to the negotiating table.'<sup>22</sup>

The KIO wanted to use the momentum to renew efforts to find a peaceful solution at the negotiation table. The KIO, with its former Chairman Brang Seng as one of the main initiators, actively propagated a cease-fire strategy to end decades of conflict, their argument being that 'the only answers to Burma's deep-rooted ethnic and political problems will come through negotiation... The first priority, therefore, is a nationwide cease-fire which will bring peace to all areas of the country and all ethnic groups.'<sup>23</sup>

The intention of the KIO was to negotiate a joint cease-fire on behalf of the NDF, which KIO sources say the regime agreed to. However, the idea met with opposition from some NDF members. 'We had many discussions with the NDF at Manerplaw, but they did not agree with us,' says a KIO leader. 'We from the KIO had the idea to make a cease-fire first and then go step by step to find a political solution. But the NDF and the DAB, and the leaders of some groups, wanted to find a political solution first and then make a cease-fire.'<sup>24</sup> When this strategy failed to gain support from other organisations in the NDF, the KIO signed a separate cease-fire in February 1994.<sup>25</sup> This subsequently led to a rift between the KIO and its allies and the KIO's ejection from the NDF.<sup>26</sup>

### **Thai pressure**

For decades Thailand had tacitly supported the insurgencies along its borders, from which it had benefited economically. However, at the end of the Cold War the Thai government announced a radical new policy: 'Turning Indo-China from a battlefield into a market place'. Thailand formally declared that the communist threat was over, and aimed to be the hub of regional economic development. The same policy was applied to Burma. Hence it sought to normalise formal relations with its neighbours, and promote trade and investment. For Thai policy-makers in the capital Bangkok, the insurgencies along their border had outlived their usefulness. The 'liberated areas' were no longer seen as a buffer zone but as an obstacle to regional economic development.

The mood in Bangkok had definitively changed. During a number of visits in 1988 to Rangoon, when central Burma was in turmoil as thousands of demonstrators took to the streets against military rule, Thai Army Commander General Chaovalit Yongchaiyuth negotiated lucrative logging concessions in border areas as part of a larger deal made between the Burmese military, and Thai military and business interests. Thailand's favourable attitude towards the military regime, which was facing international isolation following its bloody suppression of the pro-democracy movement of 1988, was rewarded by the regime with economic opportunities. General Saw Maung stated that 'during the crisis we knew who were friends and who were foes' and promised Burma would give 'about two thirds of the trade and investments projects to Thailand because it has proven [to be] a true friend'<sup>27</sup>.

Eager to open formal trade with Burma, Thai military officers suggested to Rangoon that if it wanted to end the ethnic armed groups control over logging - one of the aims of the 'Four Cuts Campaign' - it should grant logging concessions to Thai companies. These companies would cut logging routes and roads through rebel-held territory, which could later be used by Rangoon to launch offensives against these groups. Logging would also remove the natural tree

Soldier of the NMSP



cover for the guerrilla armies. Furthermore, Burma would obtain foreign currency. The Thais argued that the Burmese government would gain in two ways: it would gain Thai friends (the military and the businessmen) while at the same time obtaining resources and access to areas controlled by the different ethnic groups, facilitating suppression efforts.<sup>28</sup>

The first indication of this new policy came during the offensive along the Thai border in 1989 when Thai authorities tacitly allowed Burma army units to cross over into Thai territory to attack Mon, Karen and Karenni strongholds, which had been able to sustain previous offensives. Following the public calls for peace talks by MI Chief Khin Nyunt in 1993, Thai authorities pressured Mon, Karen and Karenni forces to make cease-fires with the regime. As a result, the NDF members along the Thai border who had refused to join the KIO in joint cease-fire talks were now forced to open individual negotiations.<sup>29</sup>

### **New Mon State Party (NMSP)**

Thai pressure was especially high on the New Mon State Party (NMSP) mainly for economic reasons. By 1994 the Thai military and the National Security Council threatened to force ten thousand Mon refugees back into Burma if the NSMP continued to refuse to enter into individual negotiations. The fighting was seen as an obstacle to construction of a pipeline from the Burmese gas field in the Gulf of Martaban to Thailand, as well as blocking several

other large-scale development projects, including a deep seaport in Mon State and a connecting road with Thailand to facilitate trade.

Military pressure from the Burma army and the fall of the KNU and NDF headquarters Manerplaw in early 1995 further convinced NMSP leaders that a cease-fire was probably the only way to maintain control of its territory.<sup>30</sup> After four rounds of talks in the capital of Mon State, the NMSP concluded a cease-fire agreement in a ceremony on 29 June 1995.<sup>31</sup>

### **Karenni National Progressive Party (KNPP)**

There were also additional causes for the cease-fires. The Karenni National Progressive Party (KNPP) in Kayah State made a truce with the regime in 1995. The KNPP had received several missions from community leaders in Kayah State, including Catholic Bishop Sotero, to persuade them to enter into peace talks. They wanted to relieve the situation for civilians, which had suffered badly from the war. 'The Karenni people requested the KNPP to talk, because the situation was so bad for them,' according to KNPP General Aung Mya. 'The Thais did not pressure us before 1995. In fact at that time we had more pressure from people inside [Kayah] State. Some elder leaders told us we should talk with the military government, and see what a cease-fire agreement could bring, saying we could always start fighting again.'<sup>32</sup>

SSA South soldier



The truce broke down, following conflict over logging and accusations that the Burma army had mistreated the civilian population. 'We made a cease-fire on March 21, 1995. But after that the Burmese accused us that we cut logs and sold these to Thailand,' says a KNPP leader. 'But the Burma army broke the agreement; they were not supposed to collect porters and fees. They started fighting on 3 July, 1995, and the cease-fire lasted only three months.'<sup>33</sup>

### **Karen National Union (KNU)**

The KNU, the strongest NDF member along the Thai border, had long resisted Thai pressure to enter into individual talks with the regime. The KNU maintains it wants to reach a political agreement first before entering into a cease-fire arrangement. 'We want to make a cease-fire, with real peace, real justice, and real equal rights,' said a KNU leader. 'But they always want the KNU to surrender,

and will not accept the real federal union and democracy.'<sup>34</sup> In early 1994 an internal conflict in the KNU led to the fall of its headquarters Manerplaw. A group of Buddhist soldiers and villagers felt unjustly treated by the predominantly Christian KNU leadership. After emissaries failed to achieve an agreement, the group broke away from the KNU to form the Democratic Karen Buddhist Army (DKBA). The Burma army quickly offered a truce, in return for support and control over territory in Karen areas.

Pressure from within the KNU over the mishandling of the episode led to some changes in leadership and the organisation subsequently entered into negotiations with the regime. During 1995-1997 four rounds of talks were held between the KNU and the military government. After the last meeting failed to produce an agreement, the Burma army launched a new offensive, occupying most remaining KNU territory. The KNU subsequently changed its strategy, and became a guerrilla army operating from small, often mobile bases along the Thai border. Most senior KNU leaders now live in Thailand, and the KNU headquarters is effectively located in the Thai border town Mae Sod.

Informal contacts between the KNU and the SPDC continued, and in early 2004 KNU leader General Bo Mya made a surprise visit to Rangoon to conclude a temporary truce. 'Both sides agreed in principle to a cease-fire, and to work out the details together later,' according to Bo Mya. 'Our side suggested signing the agreement, but they did not want it. We have to implement it on the ground later step by step.'<sup>35</sup>

When a new KNU delegation visited Rangoon to try to formalise the agreement in October 2004, their host Khin Nyunt was suddenly arrested, following an internal power struggle in the regime, and the delegates had to return home empty-handed. By the end of the year fighting resumed, and the agreement with the KNU had effectively broken down.

### **Surrender of Mong Tai Army (MTA)**

Another result of the new Thai policy was the surrender of Khun Sa's Mong Tai Army (MTA). The MTA controlled substantial amount of territory in Southern Shan State between the Thai border and the Salween River. By the early 1990s, the MTA had ten thousand soldiers. By its own admission the MTA was heavily involved in the opium trade but was able to buy goods and services on the Thai market undisturbed. Thailand adopted a stricter policy towards the MTA and officially closed the border; and the Burmese military promised the United Wa State Party (UWSP) control over any territory it managed to occupy in return for attacking MTA positions. Thousands of UWSP troops moved south to the Thai border to strengthen a small Wa position, and heavy fighting broke out. The position of the MTA was further weakened by an unusual

Burma army offensive and mutinies by some MTA troops. In January 1996, Khun Sa took everybody by surprise when he invited the Burmese army to his headquarters in Homong near the Thai border and surrendered. According to a report by the US State Department, the agreement stipulated that 'if Chang Qifu (Khun Sa) ended his insurgency and retired from the drug trade, the Government of Burma would provide him with security in Rangoon and allow him to conduct legitimate business.'<sup>36</sup>

Several ex-MTA groups made an agreement with the SPDC to become one of the government-sanctioned militias (Thakasapha). These include the Nayai Militia in the Pao region; the Homong Local Defence Force based at the MTA's old headquarters Homong; the Mongtaw local Defence Force; and the Mongyawn Militia, all based in southern Shan State. Two other ex-MTA militias, the Manpang Militia in Tangyan Township and the Mongkha Militia in Mongyai Township, are based in the northern Shan State.<sup>37</sup>

MTA remnants refusing to surrender were later reorganised in the southern Shan State by Colonel Yawd Serk back into the Shan United Revolutionary Army (SURA), a pre-MTA force that had joined with Khun Sa in the mid-1980s. He later tried to make an alliance with the cease-fire Shan State Army (SSA) in northern Shan State, and renamed his organisation the SSA South, to distinguish it from the SSA in the North. SSA South leader Yawd Serk wrote several letters to the SPDC via the cease-fire SSA North, asking for cease-fire talks. The regime refused, saying since the MTA had already surrendered, the SSA South could also lay down its weapons, but could not have the status of a cease-fire.

### Contents of the Agreements

The cease-fires are merely military truces, and do not include any political agreements. The regime insisted it was a temporary military government, and therefore not in a position to talk about politics. It told the groups to put their political demands forward at the National Convention, which was to produce a new constitution. According to a KIO source: 'General Khin Nyunt said: 'We are not really a government, we have no constitution. After we have a constitution, you can talk to the new government.'<sup>38</sup>

The negotiations therefore had a strong focus on military matters. The agreements demarcate the territory under control of the groups, the location of checkpoints, the number and location of soldiers, and the location of military headquarters and liaison posts. Cease-fire groups were allowed to open offices in the major towns in the region, as well as in Rangoon.

Groups that were in a relatively stronger position, because they were larger, had more armed soldiers, and/or were

under less pressure from the Burma army or neighbouring countries, had a better negotiating position. The NMSP for instance, under great pressure from the Burma army and Thai military, had to give up all its territory outside Mon State, as well as some other strategic locations in Mon State. NMSP army units were stationed in twelve 'permanent' unconnected pockets of five kilometres in diameter. The Mon army was forced to accept withdrawal from another eight 'temporary' areas within a year.<sup>39</sup>

Control over territory is important as it legitimises those armed groups to represent the communities from these areas, to collect taxes, conduct various other business opportunities including mining and logging, and to recruit members and soldiers. It also provides more bargaining power vis-à-vis the SPDC. Agreements stipulate that neither party can enter the other's territory without prior permission.

The Kokang group was the first to make a cease-fire. 'On 14 April 1989 we had the first meeting with the government and we made the agreement', says Phueng Kya-shin. 'The main points are to stop fighting and make a cease-fire, to have an anti-narcotics policy, and to develop our region. The agreement also stipulates that Myanmar would not touch Kokang area, and the other way around. We agreed on a peace line [demarcation].'<sup>40</sup>

According to the UWSP, their cease-fire agreement with the government provides for an end to hostilities and the right to maintain their armed troops and to administer their own territory. Furthermore, the government promised development assistance in the region, in particular support for health, education, and agriculture. In return, the Wa leadership 'agreed to be under the leadership of the Myanmar government, and not to ask for independence.'<sup>41</sup>

### The Special Regions

Following the truces, the military government gave the territories under control of the cease-fire groups a new temporary status called *atu deitha*, or 'special region'. These are grouped together by different ethnic minority states (the *pyi-neh*) and subsequently numbered. The government refers to the Kokang region under control of the MNDA as 'Shan State Special Region 1', indicating the MNDA was the first group in Shan State to sign a cease-fire agreement with the government. UWSP territories are thus referred to as 'Shan State Special Region 2'.

The KIO region as 'Kachin State Special Region 2', as it was the second group to sign a truce in Kachin State. The special regions are neither mono-ethnic nor representing a whole ethnic group. The Wa Special Region, for instance, contains ethnic groups including Lahu, Lisu and Chinese, and there are Wa people living outside UWSP areas.

The military government initially promised support to develop these regions, and created the Border Area Development Programme (BADP), which was later upgraded into the Ministry for the Development of Border Areas and National Races. The government has published several booklets to show its achievements. However, cease-fire groups complain that until now little aid has come through. The NMSP received some development aid from the regime, which according to one author 'was a mixed blessing'.<sup>42</sup>

Following the cease-fire agreements, most groups were given business opportunities by the military government. The NMSP set up the Rehmonya International Company, which was licensed to import and export as well as transport passengers and goods on different routes.<sup>43</sup> Similarly, the KIO set up the BUGA Company, which became involved in jade and logging. The UWSP and the Pao National Organisation (PNO) obtained concessions in the Mong Shu ruby mines in Shan State and the Hpa-kant jade mines in Kachin State. According to the UWSP, in the beginning they were given special privileges, but later had to compete with other private companies at market prices.<sup>44</sup>

None of the contents of the accords have been made public, and almost all cease-fires are verbal agreements, without any written document. According to a government spokesperson: 'The cease-fire agreements are just an understanding, it is not on paper'.<sup>45</sup> Only the KIO has a written agreement, which contains the following points: to make a nation-wide cease-fire; to announce a general amnesty; to have a tri-partite dialogue; to carry out development activities in Kachin State; and that the KIO could maintain its arms until its demands were put into a new constitution.<sup>46</sup>

Following the agreements, all other non-cease-fire opposition groups were to leave the cease-fire territory. This included the All Burma Student's Democratic Front (the student army formed by Burman urban activists after the 1988 uprising) in KIO territory, and exile members of the National League for Democracy in NMSP territory.

The conclusion of cease-fire agreements is seen by the SPDC as one of its major accomplishments. According to a government spokesperson: 'The peace agreement is important for the government. Peace and stability are top priorities for us'.<sup>47</sup> The SPDC officially lists 17 cease-fire groups, but there are differences in goals and objectives, as well as in their status. There are also other smaller breakaway groups that have essentially become militia forces. Then there are various Lahu and other militia in southern Shan State. These groups are not included in the government list of 17 groups.<sup>48</sup>

### Mediators

Mediators, for the most part local ethnic religious leaders, played a key role in the negotiations. They served as important communication channels to send messages back and forth to the conflict parties, and to keep the talks going.

In Kachin State three mediators played a central role in the cease-fire talks: Reverend Saboi Jum, at that time General-Secretary of the Kachin Baptist Church, his brother Khun Myat, a businessman, and Duwa La Wawm, former ambassador to Israel. 'Their role was important', says a senior KIO official, 'because the negotiations took about five years, and these three middlemen had to shuttle back and forth between the KIO HQ and Rangoon'.<sup>49</sup>

The role of the mediators did not end with establishment of the cease-fires. As the truces are merely military in nature most other issues were left to be resolved until later, and various problems had to be dealt with along the way. During the time when Khin Nyunt was the 'strongman', the mediators were direct communication channel between him and the armed groups.

Various Christian and Buddhist Karen mediators have tried to mediate between the military government and the KNU. The first attempts date back to 1994, when Archbishop Andrew Mya Han visited the Karen headquarters Manerplaw to propose peace talks with the military government. Subsequently an informal group of five prominent Rangoon-based Karen Christian leaders was formed.<sup>50</sup>

Later on a number of prominent Karen religious leaders based in Karen State formed the Karen State Peace Committee. This committee consists of Buddhist and Christian leaders, and was formed to include Buddhist leaders and people based in Karen State in the peace efforts. 'People in Karen State felt Karen Christians from outside Karen State were making all the decisions without consulting them', says a Karen community leader in Rangoon.<sup>51</sup>

This committee has tried to mediate between the KNU and the military government, and facilitate communication. It has also made efforts to promote peace among Karen communities. Karen society has suffered from fragmentation and communal conflicts, due to decades of military rule and oppression, and the lack of a common Karen platform, which limits communication and cooperation efforts between different communities. The split in the Karen armed movement between the mostly Christian-led KNU and the government-supported Buddhist DKBA has further aggravated the conflict, which continues until today.

## Breakaway Groups

There are currently six breakaway groups from the KNU that have made separate deals with the regime. The first to do so was the DKBA in early 1994. At the time of the 1997 offensive the Karen Peace Force, a breakaway battalion from the KNU Sixth Brigade, made a separate agreement. Most recently, in 2007 the KNU Seventh Brigade commander left the KNU and set up the KNU/Karen National Liberation Peace Council (KPC).

The KNU has been engaged in armed conflict with some of these groups, especially the DKBA. Karen community leaders in Burma have made several attempts to address this inter-Karen conflict. Some see it as a plot by the military regime to divide Karen communities. Others blame the KNU leadership for failing to unite opinion among the Karen and maintain KNU integrity. Some other groups still fighting the regime, such as the KNPP and the SSA South, have also had factions break away and make separate truces with the SPDC.

Some breakaway groups from cease-fire groups have made separate agreements with the regime, following internal conflicts over strategy, economics, power, or personal grievances. In Kachin State a group led by Lasawng Awng Wah broke away from the KIO in 2004. After first seeking refuge with the NDA-K, Lasawng Awng Wah came to an agreement with the Burma army.<sup>52</sup>

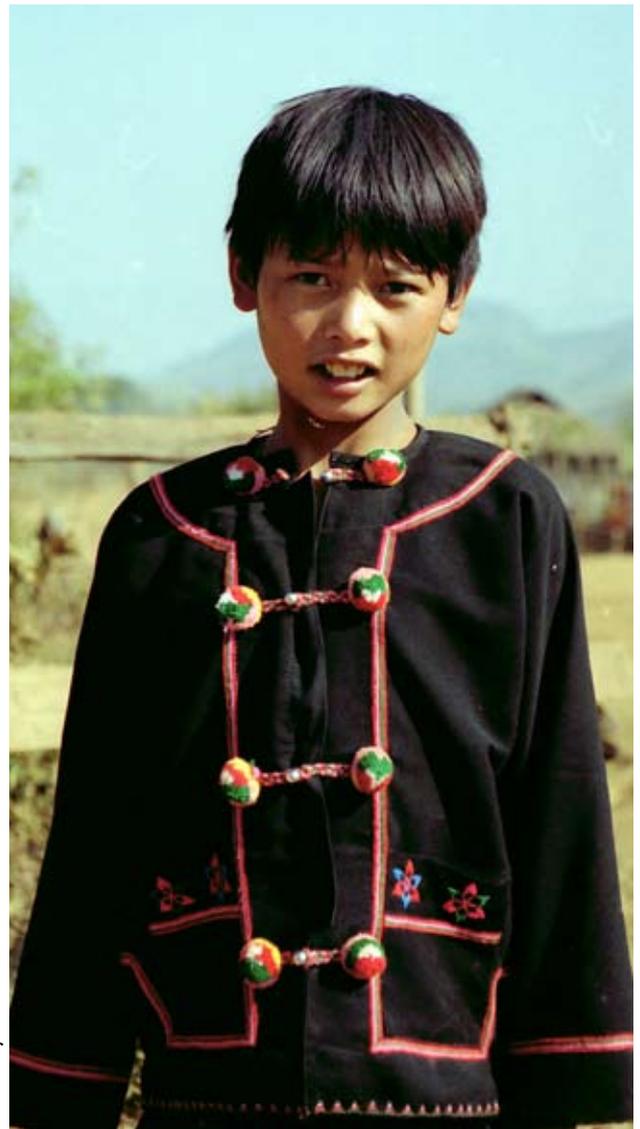
The NMSP has also suffered from fragmentation. Some groups broke away in disagreement over the cease-fire and took up arms again. At the end of 1996 the Mon Army Mergui District (MAMD), dissatisfied with the cease-fire arrangements, broke away from the NMSP to take up arms again.<sup>53</sup> Following a Burma army offensive in May 1997, the MAMD reached an accord with the regime. A few months later a faction left the MAMD to form the Ramanya Restoration Army (RRA), and started to attack both the Burma army and the MAMD remnants. Within a year both the MAMD and RRA had disappeared. In 2001 a small group broke away from the NMSP to form the Hongsawatoi Restoration Army (HRP), some retired Mon soldiers joining them. The HRP was later renamed the Monland Restoration Party (MRP).<sup>54</sup> The Mon Peace and Defence Force (MPDF) was co-founded by ex-NMSP members, including a top general who left the NMSP in 2008.<sup>55</sup>

Several nameless small Mon groups occasionally link up with the MRP. They are usually referred to by their leader's name. Among them is a group led by Nai Chan Dein. According to a Mon source, 'the Nai Chan Dein group, like many of the remaining armed insurgent groups in Burma, does not control territory. Instead, it moves frequently, relying on supporters and informers in local villages, and superior knowledge of terrain.' The group supports itself by extracting taxes from villagers.<sup>56</sup>

## Militias

There are a large number of militias in Burma. According to a report by a Shan exile media group there are 42 different militias groups in Shan State alone. The smaller splinter groups may have fewer than twenty soldiers, whereas other forces may number up to two or three hundred. Most of them are headed by locally based leaders and many are formed along ethnic lines. There are various Lahu militias in southern Shan State, while in the northern Shan State there are Kachin, Shan, Lisu and Chinese groups. These include groups that were formed in the 1960s and 1970s to counter the CPB invasion as well as the more recent breakaway groups from the MTA.<sup>57</sup>

These groups, having no clear political agenda, are mostly involved in business, including the drug trade. The Burma army uses them as a buffer at strategic places in border regions with neighbouring countries and large cease-fire groups, such as the UWSP.



Lahu boy in southern Shan State



## Goals and Strategies of Cease-fire Groups

The main grievances of ethnic minority groups in Burma are lack of influence in the political decision-making processes; the absence of economic and social development in their areas; and what they see as a Burmanisation policy of the military government that translates into repression of their cultural rights and religious freedom. Ethnic minorities in Burma feel marginalised and discriminated against and, in effect, the armed rebellions in Burma are their response. The situation deteriorated after the military coup in 1962, when minority rights were further curtailed. Decades of civil war and military rule have only worsened old grievances and generated new ones. Indeed the conditions of internal conflicts and insurgency have become so prolonged that many local ethnic forces reflect the characteristics and claim the rights of self-defence groups in a perennially insecure landscape.

Most ethnic minority organisations now reject separatism, instead calling for a federal state based on democratic principles that would safeguard the political, economic and cultural rights of ethnic minorities. The key words for ethnic minority aspirations are self-determination and equality. The large majority of groups support the NLD's call for a tripartite dialogue between the military, the democratic opposition and ethnic groups to find a lasting solution to the political deadlock.

For such groups as the KIO, NMSP and UWSP the cease-fires are part of a longer-term strategy to achieve change. While the goals of these groups are similar, it is useful to look at the cease-fire agreements as a peace-building and reconciliation approach, and compare the different ways in which the different groups have tried to use the cease-fire to reach their goals. All have had successes and failures. However, generally speaking, all have an ethnic nationalist agenda, and, after decades of war, have focused on promoting political change through dialogue.

### **United Wa State Party (UWSP)**

With up to perhaps twenty thousand soldiers, the UWSP is the largest armed opposition group in the country, controlling significant territory east of the Salween River along the China border. All entry points into the region by road are manned by separate UWSP and government checkpoints. The UWSP currently effectively controls what it wants as a future Wa State, and has not made any claims on areas outside that territory. The Wa capital Panghsang has grown into a small town with modern Chinese style architecture, shops, paved roads, and has a new border crossing with China. Like other large cease-fire groups, the UWSP has set up its own governance structure in the Wa region, and has created a state within a state.

The main political aim of the United Wa State Party (UWSP) is to achieve the formation of a Wa State, or a Wa Pyi-neh, falling directly under responsibility of the central government in Rangoon, and not administered through Shan State. The UWSP leaders say in correspondence with the government they have always used the term Wa Pyi-neh ('Wa State'), while the government always has used Wa Atu Deitha ('Wa Special Region'). The UWSP says government officials have told them their future status would be no more than something between 'state' (pyi-neh) and 'district' (khayaing in Burmese).<sup>58</sup>

The UWSP has prioritized development of the Wa region, and, as part of their commitment to the international community to make their region drug-free, has imposed a ban on opium cultivation since 2005. Since the cease-fire agreement of 1989 the UWSP has officially accepted being part of Burma. According to UWSP Chairman Bao You Chang: 'Wa State is an indivisible part of the Union of Myanmar. As a minority autonomous region, we only ask the government to grant us more power in self-administration.'<sup>59</sup>

The UWSP has first and foremost tried to promote political change for the Wa region – which is entirely under their control - at the national level through the National Convention and in meetings with government representatives. Their political interests are mainly limited to their area. This is partly because the Wa leaders fear they might be used for the political gains of others, and because they feel they lack the experience and knowledge to deal with broader issues.<sup>60</sup>

### Kachin Independence Organisation (KIO)

The KIO controls a significant amount of territory, which like the Wa region is demarcated with checkpoints on all roads leading into their territory. But the KIO-controlled areas comprise unconnected pockets of land, mostly rural areas. All major towns including Kachin State capital Myitkyina are under government control. The KIO also controls a long stretch of territory along the China border.

Following the cease-fire, the KIO prioritised resettlement and reconstruction of Kachin State. The organisation hopes that in the long run social, humanitarian and economic development will lead to political development and reconciliation. 'The main policy of the KIO in 1994 was to find a peaceful settlement for the political conflict, and to solve the problem on the table, not on the battlefield. We still have the same goal', says a KIO leader.<sup>61</sup>

The KIO has tried to promote political change for the whole country, to build a federal state on democratic principles. It has pushed hard for change for all ethnic minority groups and areas, its interests extending beyond Kachin State or areas under KIO control. The KIO tries

to reach its goals through lobbying and dialogue at the national level and local levels, at the National Convention, in meetings with SPDC officials in Rangoon and Nay Pyi Taw as well as in Kachin State, and through alliances with other ethnic minority representatives.

### Pao National Organisation (PNO)

Like the KIO, the PNO controls several unconnected areas, located in the southern Shan State around Taunggyi. However, in contrast to the KIO, the PNO decided not to set up checkpoints and demarcate territory under its control, separating it from the rest of the country. Instead the PNO has welcomed government run schools and clinics in its area. It believes that developing Pao communities is more feasible as part of the government system.

Like the UWSP, the PNO has mainly focussed on creating space and promoting change at the local level for the Pao people. But unlike both the UWSP and the KIO, it has done so primarily by working on the local level in coordination with government and army officials. The PNO has made less effort to push for political change at the national level.



KIO soldier on guard at the China border

### **New Mon State Party (NMSP)**

The NMSP also controls a number of separate demarcated pockets of territory in Mon State, manned by NSMP checkpoints, located near the Thai border. After the cease-fire it had to withdraw all troops from areas outside of Mon State.

The NMSP has actively promoted Mon education for the Mon population in both NMSP and government-controlled areas. It has also stimulated community developments projects by Mon civil organisations. The NMSP is the only cease-fire group that has internally displaced persons (IDP) camps in its territory, which receive aid from international agencies in Thailand, where the camps were based until the NMSP cease-fire in 1995.

Like the KIO, the NMSP has tried to promote political change for the country as a whole, by advocating for ethnic rights and a federal constitution at the national level. The NMSP attended the National Convention, but in December 2005 scaled down its delegation to observer status, in protest to the lack of political progress, especially regarding ethnic rights.

### **Other Groups**

Not all cease-fire groups actively promote political change. Some of them see the cease-fires as an end goal. These organisations view cease-fires as 'a way of life', and appear content with the status quo, controlling their own areas, and engaging in business activities such as logging, mining, and black market trade.<sup>62</sup> According to one NDA-K representative: 'We want permanent peace and permanent progress. Whatever government will come to power, we will continue to do as we do now, continue to control our region.'<sup>63</sup>

### **Leadership Style**

Cease-fire groups, like all armed groups in the country, are military organisations, run in military fashion. They are essentially non-democratic in nature, and decision-making processes are top-down, leaving little room for dissent or grass-roots initiative. Opposition to the leadership is not often encouraged, and has in some cases led to dismissal and imprisonment.

But this is not a uniform situation. The KIO and NMSP have allowed civil society organisations to emerge and work in their areas, seeking their advice on policy matters. However, others groups, such as the UWSP and the MNDAA, are more authoritarian, and there is hardly any organised civil society in their areas. There is little activity outside of the UWSP and the MNDAA structure, and the population is too afraid to challenge or resist their policies. There is little

communication and consultation between these cease-fire groups and the communities they represent, who are being excluded from any decision-making processes. There are no other avenues for political discussion or organization. After decades of conflict and military rule, many of these problems are endemic throughout Burma, affecting all conflict actors.

The poor leadership is related to the lack of educational facilities. Although the situation has improved since the cease-fire, access to education and education standards remain low. One international observer estimates that half of the UWSP Central Committee members are illiterate.<sup>64</sup> The isolation of the region and decades of conflict have further prevented the leadership of cease-fire groups to learn about developments in the rest of the world. The leaders therefore often rely on the advice and management skills of outsiders, especially from China.

### **Governing Capacity**

The cease-fire groups have all created their own health, agriculture, justice and various other departments to administer their territories. Many of the groups are in effect a state within a state. Most of the departments have weak management and technical capacity. The top-down decision-making process also prevents these departments from taking important decisions. Local administrative units have little power, and few are able or dare to take their own initiatives. Instead they tend to wait from instructions from their headquarters. Again, there are differences between the cease-fire groups. Some, like the KIO and NMSP, allow more decentralised power than others.

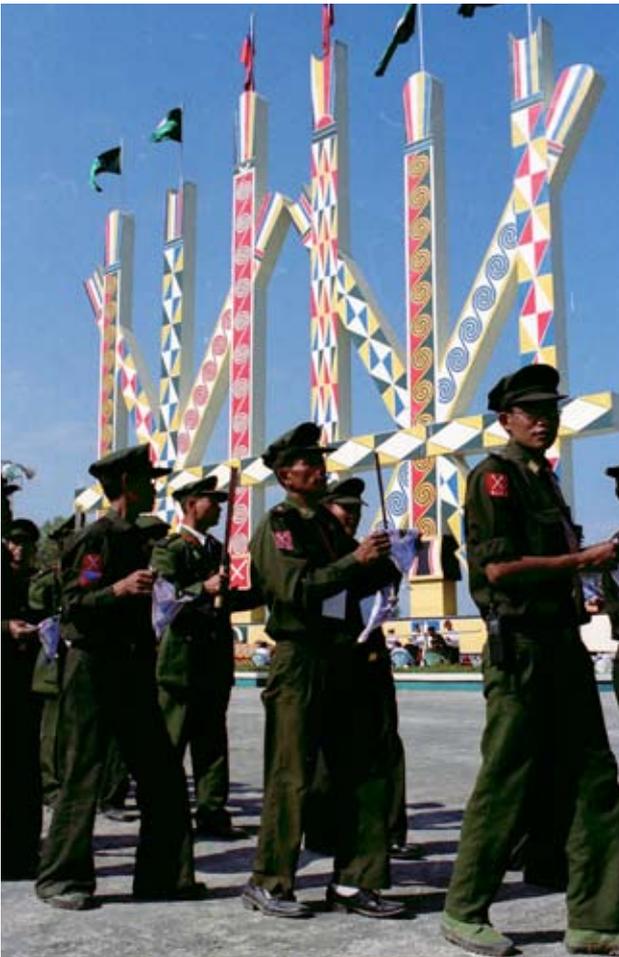
Most district leaders and their subordinates work on a part-time basis, and responsibilities are unclear and poorly defined. Salaries of administrative staff and army soldiers are often low or nonexistent, and many cultivate their own land to supplement their income. The armed groups have difficulty attracting young educated members. Many others who have joined are frustrated with their lack of influence on the decision-making process.

Occasionally headquarters has difficulty exercising full control over local army units. In theory the political departments have control over the army, but in practice the army is more powerful and sometimes acts independently, running economic and security matters free from political control.

### **Vision for Socio-economic Development**

Development is generally manifested in terms of the infrastructure, such as roads, bridges, dams and hydropower projects. There is little community development, as the cease-fire groups often perceive these projects as a threat

KIO soldiers at the traditional Manao festival



to their authority. They also doubt the usefulness of community development and capacity building, which they see as intangible and ineffective. This is especially true for the cease-fire groups with more authoritarian leadership.

This perspective is due to lack of experience and education, and in many ways mirrors the development vision and strategy of the military government. However, the increasing presence of a growing number of local and international agencies in cease-fire areas has brought about some important changes. To finance development in their regions the cease-fire groups rely on unsustainable natural-resource extraction, notably logging and mining by Chinese companies, which has had negative consequences for sustainable development efforts in these areas.

While the end of the open conflict has brought some relief for the communities, the implementation of the opium bans in the Kokang and Wa regions, once the major opium-producing areas in the country, has deprived the population of their primary source of cash income. The Wa and Kokang authorities have implemented these bans under pressure from the international community, especially China, and the bans are strictly enforced. However, the Kokang and Wa authorities have been unable to provide their population with an alternative crop or other source of income. The Wa and Kokang authorities have promoted Chinese investment in rubber, tea and sugarcane plantations, but these do not benefit

local farmers. Current levels of international assistance are insufficient to sustain their livelihoods. This raises serious questions about the sustainability of the opium bans.<sup>65</sup>

### Vision for Political Change

Although cease-fire groups share similar political grievances and aspirations, few have developed a clear political vision for the future. Most groups have not precisely defined what a future federal Union of Burma would look like; how exactly the central government would interact with the states and divisions; and what its legislative and executive powers would be.

This again relates to weak leadership abilities of these groups. A major cause of this incapacity is the political repression and isolation of all opposition groups in the country by the military government. The military regime's restrictions on travel and meetings further hamper the development of a common strategy and vision for change. Nonetheless, there are some exceptions to this. In July 2007 the KIO for instance submitted a detailed 19-point proposal, with many concrete recommendations, to amend the draft constitution.<sup>66</sup>

### Abuses Against the Population

There is evidence of human rights violations by armed opposition groups, but clearly not on the same scale as by the Burmese army. This includes forced recruitment of soldiers (including child soldiers), forced relocations, taxation and extortion. All armed opposition groups, including those with a cease-fire agreement, depend on the local population for finances (taxes), recruits (in some cases one male per household has to serve as a soldier), porters (sometimes including on army patrols), intelligence (serving as guides and provide information about enemy movements) and food.

In Shan State, since 1999 the UWSP have relocated tens of thousands of Wa villagers from their mountainous homelands in the north to the fertile southern valleys of southern Shan State, in some cases displacing the original Shan, Lahu and Akha inhabitants. The UWSP leadership says the objective is to move poppy growers and impoverished villagers to areas where they can grow other crops.<sup>67</sup> Shan, Lahu and Akha villagers are often simply told that their land is confiscated and that they have to leave their houses.<sup>68</sup>

Generally speaking, the extended conflict has taught people to fear any armed group that enters their village. According to a villager from Ye Township in Mon State: 'I will never support any armed group. If they have arms, I believe they will commit abuses because of their weapons. This is my experience of how armed groups have been treating our people.'<sup>69</sup>



## Impact of the Truces

### End of Fighting

Without doubt the greatest advantage of the cease-fires is that they put an immediate end to the fighting, and brought relief to local communities. According to a Kachin development worker: ‘The one major benefit of the cease-fire of course is that with no fighting there is peace and no more bloodshed because of war.’<sup>70</sup>

Since the outbreak of the civil war in 1948 many people have died as a result of the fighting, but there is no reliable data on conflict-related casualties, estimates varying widely. In 1989 regime leader General Saw Maung stated that the death toll ‘would reach as high as millions’. A more realistic figure was given by a Western author, who estimated the number of casualties at ten thousand per year during the four decades prior to 1991.<sup>71</sup>

The large majority of civilian casualties are from ethnic minority areas, where most of the fighting has taken place. According to a UWSP leader: ‘The CPB occupied this region from 1968 until 1989. During that time they fought against the government army, so it brought a very difficult situation to this region. All the young people had to engage in fighting, and only the old people were left to take care of the farms and produce food.’<sup>72</sup> Chinese-style human-wave attacks by the CPB resulted in high casualties among its Wa, Kokang and other ethnic minority troops. The tactic was later copied by the UWSP.

Over the years the Burma army has also suffered huge casualties, many being ethnic Burmans. The annual conflict death toll decreased on all sides in those areas where cease-fire agreements came into place.

### Reduce Human Rights Violations

The cease-fire agreements also curtailed the most serious human rights abuses in areas where the cease-fires developed. During its campaigns against armed groups, the Burma army has been accused of committing gross human rights violations against the civilian population. Its infamous ‘Four-Cuts’ campaign was aimed at cutting off the links between the insurgents and the civilian population (food, finance, recruits and intelligence). These military campaigns, which continue in non-cease-fire areas, directly target the civilian population, and have resulted in the forced relocation of hundreds of thousands of people. They have been accompanied by human rights abuses, including extra-judicial and summary executions, torture, rape, and the confiscation of land and property, all documented by independent international organisations.<sup>73</sup>

Following the truces, some human rights abuses continue to exist, as cease-fire groups have been unable to protect the civilian population in areas outside of their control.

These abuses are in a less threatening form and less frequent. They include confiscation of land, extortion, and forced labour.<sup>74</sup> The most serious human rights abuses take place in areas where armed conflict continues.<sup>75</sup>

### **Resettlement of Refugees and IDPs**

During the war many civilians were caught up in the fighting and the counter-insurgency campaigns of the Burma army across the country. Thousands of them were forced to leave their homes and villages and flee to neighbouring countries or find a hiding place and become an IDP.

After the cease-fire, China forced 20,000 refugees living in the border area back into Kachin State. Kachin development workers estimate that at the time of the cease-fire there were also over 60,000 IDPs in the Kachin hills. Following the cease-fire agreements the KIO started a resettlement programme, receiving no international assistance. Local organisations in Kachin State say the population movement stopped a few years after the truce. However, even some communities near Myitkyina, which until 1994 was in the middle of the war zone, are still unstable and have difficulties sustaining their livelihoods. A number of NGOs and local organisations have started development projects to rebuild the war-torn Kachin State. Among the recipients are many former IDPs.

At the time of the NMSP cease-fire there were about 11,000 Mon refugees spread over four refugee camps. Of these the largest camp, with 3,900 refugees, had already been relocated across the border, as part of Thai pressure on the NMSP to convince them to make a cease-fire. A year after the cease-fire all Mon refugees had moved across the border into Burma. The NMSP planned to remove these refugees from crowded border camps and resettle them in NMSP cease-fire territory, where they would eventually be able to sustain themselves as farmers. However, due to bad planning and perceived security threats from the Burma army, this did not materialise. Until today 10,000 Mon refugees remain in five camps just across the Thai border in NMSP-administered territory in Burma, where they receive basic food and health care from an international consortium based in Thailand.<sup>76</sup>

### **Travel and Communication**

The cease-fires have also facilitated easier travel and communication opportunities. During the war travel and communication between the population in the so-called liberated areas and those living under

government control was restricted not only because of actual fighting, but due to fear of being suspected of being an informer for one of the conflict groups.

People living in territory under control of the cease-fire groups can travel to the main towns, cities and other government-controlled areas. Farmers can travel to distant farmlands without fear of being suspected of supporting the rebels. Cease-fire groups can now communicate their political messages to the population.

The lack of communication also contributed to conflict between communities, and widened existing gaps. Following the cease-fires, a consultative process regarding the political future of Kachin State was initiated. This process also aims at creating unity among Kachin communities. It has brought together the three different Kachin cease-fire groups (KIO, NDA-K and KDA), who sometimes have been in conflict with each other, as well as local communities.<sup>77</sup> In Karen State a similar process was initiated by Karen civil-society actors after the peace talks with the KNU in 2003 started. This initiative ceased after the temporary KNU cease-fire broke down.

The cease-fires have also opened up communication channels between the armed opposition groups and the military regime. 'We can talk with the government, even with the top leaders, and we can bring up our desire and our ethnic rights,' says a KIO leader. 'So they know about us more than before. Another point is we can communicate with the urban population. Before that we were very isolated.'<sup>78</sup>

### **Space for Development**

The cease-fire presented an important opportunity to reconstruct and develop former war zones. Most ethnic minority areas had not only suffered from actual war damage, but also from decades of government neglect. Communication, infrastructure, health and education facilities in ethnic minority areas all are poorer than in the rest of the country.

Not surprisingly therefore, developing their regions became a priority for all cease-fire groups. Isolated and devastated after decades of civil war, they wanted to try a different path to political development. Rather than wait for political change to come from Rangoon, they wanted to take the initiative and rebuild their war-torn regions and promote change. One UWSP leaders cited three main benefits of the cease-fire: 'People can live in peace, there is no more damage from the fighting, and the population is profiting from development. During the fighting in CPB time, there was no single brick building like this. There was just poverty.'<sup>79</sup>

However, as mentioned above, most effort was focused on infrastructure. This development model is much like that of the military government. There is relatively little interest shown for community-based development. Furthermore, cease-fire groups face difficulty finding income to finance the reconstruction of their areas. In Kachin State, both the KIO and the NDA-K have resorted to logging to finance road and hydropower projects. This has been criticized by international NGOs.<sup>80</sup> The UWSP has used the drug trade to finance their efforts to develop the Wa region.<sup>81</sup>

But cease-fire groups complain that although the military government has been keen to extract the abundant natural resources from the ethnic minority states, there has been little support given to develop their regions. According to NDA-K Chairman Zahkung Ting Ying: 'We cut logs to get money, so that we can develop things to build houses, schools etc. The Myanmar government is poor. Actually they should support the people, but they seem to have problems. So we have to sell our natural resources to develop our people. We have to balance. In Kachin State there is nothing but trees. We cut down the trees to get development. This is our own right, not other's people's right. Are the people who are blaming us for this going to help us if we do not cut?'<sup>82</sup>

### Space for Civil Society

The cease-fires also created space for civil society organisations to develop. Following the KIO cease-fire, the Metta

Development Foundation and Shalom Foundation were set up in Kachin State. Metta Development Foundation was set up by a Kachin woman who had previously run the Representative Office for Kachin Affairs in Bangkok. Her request to start community-development projects in former war areas was granted by the military government. Initially the focus of the organisation was on Kachin State, but soon activities spread out to other areas of the country, including Shan State and Mon State. The organisation also responded to the 2004 tsunami in the Irrawaddy Delta. When Cyclone Nargis hit this area, Metta already had a presence on the ground. Despite a number of staff being killed, it was able to respond immediately, and expanded its operations quickly. Today it is the largest local NGO in Burma.

Shalom Foundation was set up by Reverend Saboi Jum, who in his previous position of General-Secretary of the Kachin Baptist Convention played an important role as one of the mediators between the KIO and the military government. Initially the organisation focussed on peace-building activities with, among others, the Ethnic Nationalities Mediation Fellowship. This is a network of mostly religious leaders, who try to mediate between armed opposition groups and the military government. Later the Shalom Foundation also established community development projects. The truce in Kachin State has further allowed various religious organisations, mostly Christian denominations, to start development projects in cease-fire regions.



Karen refugees

In Mon State the NMSP cease-fire allowed local organisations to emerge and increase their activities. The activities of the Mon Women's Organisation, which is linked to the NMSP, initially were limited to the Mon refugee camps. Following the truce, it has extended adult-literacy and various capacity-building activities to areas in Mon State, including areas outside NMSP control. The NMSP has been able to promote Mon National Schools, teaching in the Mon language. The majority of the students come from government-controlled areas, where teaching in minority languages is not allowed beyond fourth grade. The Mon Literature and Buddhist Culture Association and the Mon Literature and Cultural Committee, which had been promoting Mon literacy and cultural training programmes, have been able to expand and systemise their activities after the cease-fire.<sup>83</sup>

Following the peace talks between the government and the KNU in 2003, several Karen civil society organisations rapidly emerged. 'The military has been very harsh with Karen organisations, and no action-oriented organisations have been allowed to form,' according to a Karen community leader in Rangoon. 'We were only left with religious organisations. But since 2003, because of the peace talks, Karen organisations are less harassed, and Karen organisations really mushroomed. Some operate in the name of peace, others are women's and youth groups etc. Now there are more than thirty Karen organisations.'<sup>84</sup>

### Lack of Political Progress

Although the cease-fires have brought about important improvements in the lives of ordinary people, there are clearly a number of problems. The main shortcoming of the cease-fires is the lack of a peace process and political development as a follow-up to the agreements. After twenty years of cease-fires, the situation is still unsure, and there is no clear sight of a political solution that satisfies ethnic aspirations and needs. The National Convention dragged on for fifteen years only to produce a constitution failing to address the main grievances and aspirations of cease-fire groups such as the NMSP, KIO and UWSP.

The dilemma of the cease-fire groups now is whether to continue along the government's 'Seven Step Roadmap', participate in the 2010 elections, and become a 'Border Guard Force'. The lack of political progress has disillusioned the cease-fire groups, as well as the general public. This may endanger the cease-fires, and some groups or factions of groups may resume fighting.

### Expansion of Burma Army

Cease-fire groups complain that the number of Burma army battalions around their areas increased after the cease-fire. 'There have been many constructions of military



Burma army soldier

compounds and bases. No one could disagree that there are now more SPDC military bases inside Kachin territory than before cease-fire time.<sup>85</sup> Suspicions about the intentions of the SPDC have increased among the cease-fire groups, who do not see this as a sign of reconciliation.

The increasing number of Burma army troops has also increased human rights abuses in these areas, especially the confiscation of land, forced labour and extortion. This is partly due to the fact that Burma army units have been ordered to become self-sufficient.

### Corruption

Profits from successful projects have often gone to the Chinese businessmen or to the cease-fire groups rather than to local communities. According to a Kachin development worker: 'The SPDC, KIO and NDA-K all mention that the mining and logging is for the development of the country, but the profit all goes to the leaders. They have permission from the government, so we say nothing. Our villagers have no power, we have no guns.'<sup>86</sup>

The general population is only further disappointed when they see their leaders living in big houses and driving 4WDs. 'They seem to have forgotten their political aims of the past, and instead enjoying a better life. The [business] profits of the agreements disappear in their pockets. And their pockets are very deep,' said one NGO worker in Kachin State.<sup>87</sup>



## The Cease-fire Economy

The cease-fire agreements had several dramatic consequences for the economy. The end of the fighting allowed for larger-scale economic development projects. The uncertainty of the situation created illegal logging, mining, gambling, drug and human trafficking, and other black-market trading. The armed groups still needed to find sources of income to finance their organisations and armies. As the central government was unable and unwilling to provide the necessary resources, cease-fire groups have sought other ways to finance these projects.

As access to legal trade and business is restricted by the government, cease-fire groups rely in part on illegal economic activities. 'It is very difficult for all these various armed groups to be involved in legal trading, because it is all in the hands of the Burmese government,' said a former member of a cease-fire group in northern Shan Sate. 'That is why they rely on black market trading. The government is, in a way, stimulating all the armed groups to be involved in this, because they leave them no other way.'<sup>88</sup>

There are also armed groups and other powerful non-political actors who are benefiting (mostly economically) from the current political instability in the country, and the uncertain status of armed groups and the future of the cease-fire agreements. These also include foreign actors such as Chinese and Thai logging companies and drugs traders, who see no benefit in peace and reconciliation.

Neighbouring countries, especially at the local level, have also profited greatly from the political instability in Burma. Chinese and Thai companies have been able to play different groups off against one another. Furthermore, the weakness of the Burmese state and the uncertainty of the situation encourage serious corruption at the local level by army and government authorities as well as the local commanders of cease-fire groups. As a result, natural resources are being extracted at low prices with large profits for Chinese and Thai companies and authorities, with very little invested back into development of the area beneficial to local communities.

### Infrastructure

The KIO has strongly promoted improving and expanding roads in Kachin State. These projects are carried out by Chinese companies, in cooperation with Jadeland Company, run by a Kachin businessman. The roads connect the capital Myitkyina with other major towns in Kachin State and the Chinese border. In return for building these roads, the companies have been given huge logging concessions in Kachin State.<sup>89</sup>

Power supply in Burma is irregular, and Myitkyina suffered even more blackouts after flooding damaged the government-run main power station. The KIO initiated various hydropower projects to deliver electricity to Kachin State. In October 2007, the KIO's BUGA Company started supplying electricity to Myitkyina, after signing an agreement with the state-run Myanmar Electric Power Enterprise.<sup>90</sup>

The UWSP prioritised road building; in early 2004 it reported that 1800 kilometres of roads in northern Wa Region had been constructed, and another 600 kilometres in the UWSP Southern Command area near the Thai border. The UWSP has also built seven power stations, and started urban development projects.<sup>91</sup> Some of these projects have been supported by UNODC.

### Trade and investment

The UWSP has also invested in businesses, including a cigarette factory and a paper mill in Panghsang, a lighter factory, a bottled-water factory, and a beer brewery. It has also tried to revive traditional industries, including a tea plantation and a tin mine. The UWSP has further invested in several big companies, including Yangon Air and hotels in Yangon. Individual Wa leaders run guesthouses and karaokes in Mandalay and elsewhere.<sup>92</sup> There are some casinos in the Wa region.

Many of these commercial ventures by cease-fire groups have failed, often due to lack of technical capacity and accurate assessment of potential markets. Import taxes by the Chinese government and trade restrictions imposed by the Burmese authorities are also factors. Wa leaders complain that it takes very long to get registration permits for their companies from the Burmese military government. The procedures are complex, they say, but without registration they are not allowed to send produce from their companies to central Burma.<sup>93</sup> Exports to China have decreased due to the global economic crisis.

The military government only allows official export from government-controlled border posts. This is partly to regulate official trade with China, but it is also a strategy to weaken the cease-fire groups. Furthermore, there are many restrictions on exports for other reasons, mainly related to the military government efforts to 'manage' the economy. The legal export of logs is only allowed via the port of Rangoon. However, corruption among government officials and army officers in Burma is omnipresent, and the border trade is no exception. Although the official ban does limit border trade, it certainly has not stopped it.

### Mono-plantations

In both the Kokang and Wa regions the local authorities have promoted monoculture as a way out of poverty and

opium cultivation. Like most other business ventures, these are set up with Chinese capital and know-how, the UWSP providing the land and manpower. In the Kokang region this is mainly sugarcane in the lowlands and tea in higher elevations. In the Wa region the main crop is rubber, with some tea and sugarcane farming. Whole mountain ranges in the Wa region are now covered with rubber trees, turning the area into a 'Rubber Belt'.

Much of the Chinese investment in Burma is in contract farming. These contracts usually stipulate the yields to be grown by each villager with a commitment by the Chinese company to buy these. Sanctions for breach of agreement are also specified and villagers failing to produce the yields are liable to fines. Many villagers complain that the companies breach the contract by either paying less than agreed or late, and they are powerless to apply sanctions to the companies.

Because of restrictions to market access in Burma these areas are dependent on access to markets in China to sell their products. The recent price decrease of rubber and tea, and lower demand for sugarcane from China present huge obstacles for these plantations. These mono-plantations also have negative impact on the environment, further threatening their sustainability.

### Investment from Abroad

The end of the fighting also allowed China and Thailand to promote economic development and trade. Apart from short-term economic gains in northern areas from unsustainable logging and mining, among other ventures, mainly by Yunnan-based companies, China also has long-term interests in Burma. China is Burma's most important strategic regional ally, and its main supplier of arms.

The Chinese authorities have aggressively sought access to Burma as a market for their consumer goods, and as a gateway to India. In 2007 a road leading from Tengchong in Yunnan Province to Kachin State capital Myitkyina was formally opened. The cost of the road, 192 million Chinese Yuan (about \$28 million), was funded completely by the Chinese authorities, while, according to Tengchong authorities, the Burmese government took 'responsibility of expropriation and relocating people'.<sup>94</sup> How eager the Chinese were to build can be demonstrated by the fact that they sent more than 40 diplomatic missions to negotiate with the Burmese government. The ultimate goal of the project is 'to open Yunnan to South Asian countries'.<sup>95</sup>

In 2007 the Burmese government and the state-owned China Power Investment Corporation signed an agreement to build seven hydropower projects in Kachin State to supply China with electricity. Preparations for construction of the controversial Myitsone Dam, which is opposed by local communities, began in the same year.<sup>96</sup>

China also wants access to the Bay of Bengal through Burma. To further secure its energy needs, China will construct overland oil and gas pipelines from a deep-sea port in Burma's Rakhine State to Yunnan's capital Kunming. The 1,100-kilometre pipeline shortens transportation routes and allows access to Burma's rich gas reserves. The pipeline, scheduled to be ready by 2012, will be extended to Guizhou province, and end in Nanning, the capital of the Guangxi region.<sup>97</sup>

Relations between Thailand and Burma are more sensitive. Burma accuses Thailand of supporting the KNU and SSA South. Thailand blames Burma for condoning the drug trade, a major security concern. The Thai government has also sought to satisfy its energy needs by investing in neighbouring countries. In 2006 the Thai MDX Company signed an agreement with the Burmese government's Ministry of Electric Power to build the Tasang Dam on the Salween River in southern Shan State. Strongly criticised by NGOs and the opposition, the dam has been under study since 1981. In 2007 the Burmese government gave control of the project to a Chinese company, reducing MDX's share in the venture.<sup>98</sup>

The cease-fire with the NMSP also provided space for several large scale projects. Two international consortia have been created to explore gas fields in the Gulf of Martaban and establish two pipelines to Thailand. Following the Mon cease-fire, Thailand proposed a plan to

develop a deep seaport at the Burmese coastal town of Tavoy, and construct a connecting highway to Thailand. Thai pressure on the KNU to negotiate a cease-fire was also motivated by this plan. In June 2009 Thailand finally signed a memorandum of understanding to proceed with the project.<sup>99</sup> India is keen to develop the port of Sittwe on the Andaman Sea, while China is involved in constructing a new port at Ramree Island, south of the Irrawaddy Delta.<sup>100</sup> All three countries are competing for economic influence and opportunities in Burma. They see continued fighting in Burma as an obstacle for these projects.

### Logging

Logging increased dramatically in northern Shan State and Kachin State after the cease-fires were signed. Organisations such as the KIO, NDA-K and the SSA-north found it increasingly difficult to finance themselves, and have come to rely heavily on the sale of natural resources, mainly hardwoods, to China. The demand is enormous, especially from China, since it and Thailand both implemented logging bans at the end of the 1980s after logging-related flooding took place in the two countries. At the moment the most serious threat to the forests of Burma is in Kachin State, where all conflict parties are making deals with Chinese companies for large-scale logging concessions, threatening the remaining virgin forest and one of the world's regions richest in biodiversity.<sup>101</sup>

The confluence of N'Mai Kha and Mali Kha Rivers, site of the new Myitsone Dam



The cease-fire groups say there are little or no alternatives to find an income. 'The problem really is the economy. There is no income. Before there was timber, now it is very difficult.'<sup>102</sup> After the cease-fire agreement the KIO lost control of the jade mines at Hpa-kant, their main source of income. Since that time it has come to rely on logging. Most of the wood is cut by Chinese companies, who subsequently export the logs across the border to neighbouring Yunnan Province.

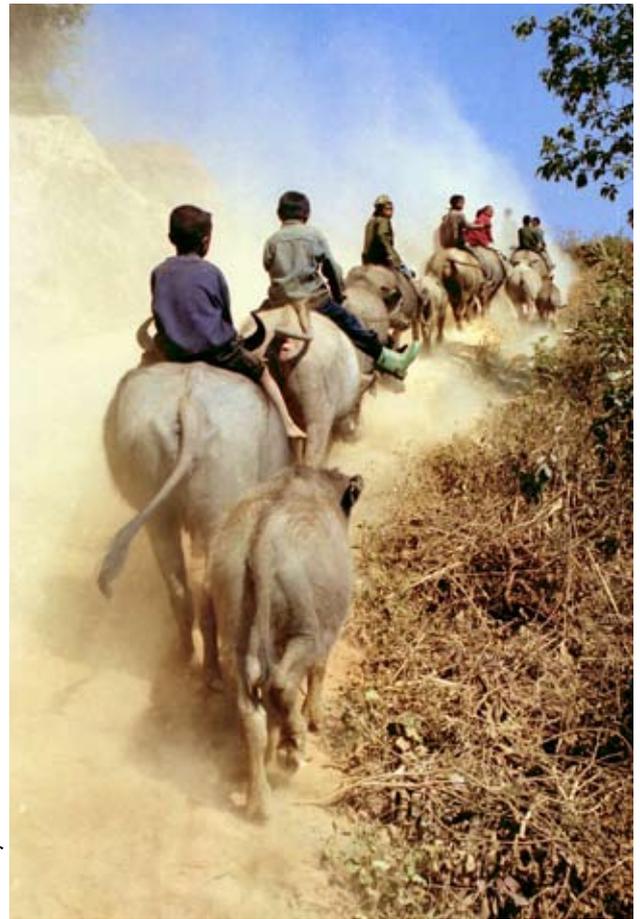
In recent years both the KIO and the NDA-K have also given out logging concessions to foreign companies, mainly Chinese but reportedly also Malaysian and Singaporean, in return for road-building projects in Kachin State, which is very underdeveloped and has a poor infrastructure. Representatives of the KIO and the NDA-K say that since the government has made no efforts to develop Kachin State they have to do it themselves. The only way to finance this, they argue, is to sell logging concessions.<sup>103</sup> 'Mainly we use the money from logging business to construct roads and electricity [plants] in Kachin State. To tell the truth, we are also unhappy about the logging and the mining, because they are destroying our natural resources.'<sup>104</sup>

The UWSP has also given logging concessions to Chinese companies. As there is little forest cover left in the Wa region, timber passing through it to China is also believed to originate from other areas in Burma. Local businessmen have become involved in logging, as well as local villagers who have started cutting down their own community forests. This process has been described as 'natural resource fatalism: 'if we don't cut, others will'.<sup>105</sup>

## Mining

Burma is rich in minerals, including jade, rubies and gold, especially in the mountains and hills of ethnic minority areas. Large-scale mining done by foreign companies, mostly Chinese, has replaced small-scale mining by villagers and local companies, leading to the significant job loss for local communities. These Chinese companies purchase concessions from the military government, or directly from the Northern Commander of the Burma army based in Myitkyina. Chinese companies have also bought concessions from cease-fire groups in areas controlled by the KIO and the NDA-K.

Mining activities have produced toxic waste and led to deforestation in the immediate surroundings of the mines. Pressure from a growing population has also caused environmental damage. Nature has suffered around the Hpakant jade mine in Kachin State and the Mongshu ruby mine in Shan State. In Hpakant soil erosion is a big problem, and complete hills have disappeared. Foreign owners are not the only actors involved. A number of cease-fire groups, such as the UWSP and PNO have also been given concessions by the SPDC.



Wa boys on buffaloes

The mines attract migrant workers, including miners, small merchants and shopkeepers, and sex workers. Needle sharing among drug users and unsafe sex with sex workers have resulted in extremely high rates of HIV/AIDS infection among the populations around these mines.<sup>106</sup>

## Drug Trade

Opium production rose significantly after 1989, as the end of hostilities provided farmers with an opportunity to tend to their fields without fear of being shot. Some cease-fire groups were, at least initially, allowed to grow and transport opium largely unhindered by the military government.

The continuing conflict in Burma also contributes to opium cultivation. According to a former member of a cease-fire group in northern Shan State: 'It is very difficult to get rid of the drug problem in Shan State. It is probably the area with the most armed groups in the country. The majority need money to support their armed struggle, and drugs are probably the source of income for most of these groups to acquire arms, ammunition, uniforms and food.' There are strong connections between businessmen associated with the armed groups and foreign businessmen. 'The local businessmen involved in the drug trade can only manage to expand their business because of money from outside sources, from China,' says the same source. 'It is difficult to get rid of the drug trade because of the strong financial support from these drug traders.'<sup>107</sup>

Logging camp in the Wa region



The UWSP has been singled out and demonised by the international community for all the drug problems in the region. In 2005 the US Department of Justice announced the indictment of eight UWSP leaders, including its chairman Bao You Chang, on heroin- and methamphetamine-trafficking charges. It calls the UWSP ‘one of the largest heroin-producing and trafficking groups in the world’.<sup>108</sup> This has confined Wa leaders to their region, further isolating them and making them more dependent on ethnic Chinese drug traffickers like Wei Xue-kang, who was also indicted.

The approach of trying to arrest “drug kingpins” follows the decades-old US-led war on drugs, which has been a complete failure. Clearly the UWSP is not innocent of narcotics-related crimes. But to single them out for all the drug problems in the region and to blame everything on ‘drug kingpins’ or ‘narco-armies’ is too simplistic. History has long shown that there are very few conflict actors in Burma whose hands are clean on this issue. Furthermore, the drug trade is a hugely profitable business, and it is clear that corruption and the involvement of people in high-ranking offices in all countries in the region plays an important role.

A recent study on the drugs trade in the Golden Triangle found little evidence that traditional Chinese-organised crime groups like triads are currently the main actors in the drug trade in Southeast Asia. The study argues that a new generation of Chinese has emerged, not only involved in drug trafficking, but active in money laundering and human smuggling. The most interesting revelation is that these are not professional criminals, but ‘otherwise legitimate businesspeople who are also opportunists and risk takers.’<sup>109</sup>

The Burmese military government announced a 15-year opium cultivation elimination plan in 1999, consisting of three phases in different geographical areas. This coincides with the ASEAN-wide target to make the region drug-free by 2015. Such an unrealistic target has led to overly repressive treatment of poppy farmers and drug users in the region.

The most important reason for the decline in opium cultivation in Burma is a number of opium bans declared by cease-fire groups in northern Shan State. These are the NDAA in the Mongla region (1997), the MNDA in the Kokang region (2003) and the UWSP in the Wa region

(2005), formerly all key opium-cultivating areas. After decades of war and isolation, these cease-fire groups hoped to gain international political recognition and support for the development of their impoverished regions.

Relations with neighbouring China also played a major role. 'The opium ban was mainly because of pressure from the Chinese,' says a Mongla Group representative. 'They tell us: 'If you started the drug ban quite early, why is there still so much drugs coming into China from your area?''<sup>110</sup> These opium bans are strictly enforced by the cease-fire groups. The KIO and NDA-K in Kachin State have also eradicated opium poppies. Both groups were under Chinese pressure to do so.

Opium cultivation in Burma has declined in the last ten years, although exactly how much is debated. A 2008 UNODC report estimates opium production in Burma at 400 metric tons. Opium cultivation has shifted from traditional growing areas in Wa and Kokang regions to southern Shan State, and eastern and northern Shan State. There has been an increase in opium cultivation in areas under government control bordering the Wa region, some of it cultivated by people who moved out of the Wa region after the opium ban.<sup>111</sup>

While opium cultivation has decreased to some extent in Burma, production of amphetamine-type stimulants (ATS) has increased significantly in the last decade. ATS was first produced in Burma by Wei Xue-kang (an ethnic Chinese man who came to Burma with the KMT, and later joined the MTA), after being approached by ethnic Chinese and Thai businessmen. Following the disintegration of the MTA, some ATS producers moved to the Wa and Kokang regions, while others remained on their own. Wei Xue-kang moved to the Wa Region and was given nominal control over UWSP area around the town of Mong Yawn region near the Thai border. Some sources claim that cease-fire groups banning opium cultivation and heroin production, such as in the Kokang and Wa regions, have simply shifted to producing ATS.<sup>112</sup>

Involvement of Burma army units and commanders in the drugs trade has been documented. In 2007, the US stated that Burma had 'failed demonstrably' to meet international counter-narcotic obligations, for failing, amongst other things, to 'investigate and prosecute senior military officials for drug-related corruption.'<sup>113</sup>



Village in the northern Wa region



## International Responses to the Cease-fires

### The Role of Neighbouring Countries

China is Burma's main strategic ally in the region, and it has supported the cease-fires. There is speculation about the amount of Chinese advice or pressure on the groups to sign a truce, but KIO sources deny this was significant.<sup>114</sup> However, the changing Chinese policy created new conditions. China allowed Burma army units to cross through Chinese territory to attack the KIO from the behind, thereby succeeding in capturing its military headquarters in 1987.

China's main concerns are to create peace and stability along its border with Burma. It does not want the armed opposition groups to start fighting again. It sees the armed groups based along the Thai border as pro-West and pro-US, hence it maintains closer relationships with the cease-fire groups on its border, all of which, except the KIO, are former CPB, and maintain longstanding and close relations with China.

Thai-Burmese relations have been problematic. There have been several skirmishes along the border, which are related to the armed conflict in Burma, disputes over border demarcation and the drug trade. Initially Thai security agencies supported the regime's cease-fire policy, putting pressure on armed groups to enter into negotiations with the military government. This was partly stimulated by the Burma army conquering and holding various border posts previously under control of the rebel groups. The end of the Cold War also lessened the need to stem the communist threat. Thailand promoted itself as a hub of economic development in the region. The armed opposition groups along the Burma border were no longer seen as a buffer force but as a hindrance to plans for large-scale regional economic development.

Thai national security interest is now focused on the drug problem. The longstanding relations with the armed opposition groups along the Thai border remain, although support has declined significantly and is mainly limited to support for attacks on drug smuggling and production facilities. These armed groups are also used as a bargaining chip towards Burma, and as a proxy in the conflict in the country, to serve Thai security interests.

While all armed groups in Burma on the Chinese border concluded cease-fire agreements, those along the Thai border, except the NMSP, are still fighting a guerrilla war from mobile bases. This is no coincidence, as Thai strategic security interests prefer to have non-cessate-fire groups such as the SSA South along its border. Thailand is more suspicious of cease-fire groups. In the Thai press the UWSP is often still referred to as the 'Wa Deng' ('Red Wa'), a



Padaung woman

reference to their past involvement with the Burmese communists. It sees the UWSP as pro-Chinese and as the main source of drugs coming into the country. Giving various levels of support to armed opposition groups still fighting the regime has also been done in order to counter Chinese influence.

The SSA South has launched its own war on drugs and has attacked various methamphetamine factories and transport routes near the Thai border. It has also asked for international support. Fighting between the SSA South and the Burmese army, and sometimes with the UWSP, led to a number of border clashes between the Burmese and Thai armies in 2001 and 2002. The Burmese military government has accused the Thai authorities of supporting the SSA South. The Thais claim the SPDC condones the UWSP smuggling of narcotics into Thailand.

## The US and Europe

Since the 1988 uprising and the 1990 elections, the focus of the international community has been on events in Rangoon, where opposition leader Aung San Suu Kyi became an international icon in her peaceful campaign for democracy and human rights. The impact of the cease-fire agreements between the government and a wide range of ethnic minority armed groups has almost been ignored by the international community. Support for these groups to develop their regions has been minimal, creating great frustration and disappointment among ethnic minority community leaders.

Ethnic minority leaders also resent the attitude among members of the international community and of the Burman opposition that the ethnic minority problem is less important than the democratic movement. The dominant argument is that a democratic government should be achieved and the military government removed, and then, after that, the issue of ethnic minority representa-

tion and ethnic rights can be resolved. The ethnic minority issue would have to wait until there is political progress in Rangoon. Cease-fire groups also feel that some international observers think that the ethnic minority issue is too complicated to understand, because there are so many different actors with different opinions, and therefore not worth engaging. The cease-fire groups point out that while the strategies of ethnic minority organisations may differ, their goals are quite similar.

These problems are exacerbated by the position of the democratic opposition in Burma, which has well-established relations with the international community, in particular with the West. Cease-fire groups appreciate the role of Aung San Suu Kyi, and believe they will be able to negotiate with her about the future of Burma. Yet at the same time they feel that her party doesn't see the ethnic issue as a central element for the political future of Burma, and has failed to formulate appropriate policies to address the issue.<sup>115</sup>

## Isolation

The cease-fires have led to a division among the opposition that has affected national and international support for the cease-fire movement. Although all former CPB forces made a truce with the regime, among the NDF members there have been different opinions on the cease-fires. Cease-fire groups like the KIO feel that decades of fighting brought them no closer to a political solution, that the only way to solve the conflict was around the table and not on the battlefield, and a cease-fire was the way to achieve this – but not an end goal in itself. NDF members like the KNU do not want to stop fighting until a political agreement with the regime has been reached, and they see the cease-fires as a deliberate strategy of the regime to divide the opposition.

The KNU is the largest NDF member along the Thai border, and is an important member of umbrella organisations that also contain Burman opposition groups opposed to cease-fires. They see the cease-fire groups as allies of the military government, having sold out their principles. These opposition groups have strong links with international campaign groups advocating democracy and human rights for Burma, which have dominated the international lobby on Burma.

The KIO and the ex-CPB cease-fire groups are based on the China border, where they are isolated and have little access to Western media, campaign groups and foreign diplomats. As a result, the cease-fires have been outrightly rejected as meaningless in anti-regime circles in the West, and there has been no effort to analyse their impact, and assess how the process could be supported and improved, nor how it could be used to promote peace and reconciliation.



## Prospects for the Future

The relationship between the cease-fire groups and the military government remains tense. Until the cease-fire agreements are transformed into a permanent settlement, this tension is unlikely to dissipate.

In August 2003 Khin Nyunt announced a 'Seven Step Roadmap' to democracy, including the reconvening of the National Convention, drafting a new constitution, holding a referendum to adopt the constitution, general elections, convening of a new parliament, and the formation of a new government (see box).

The government was unequivocal that the roadmap was the only option available. The opposition groups could accept it or boycott it. There was no other choice. 'There is no alternative to the National Convention. It is the sole process through which the aspirations of the people of Myanmar for establishing a modern and democratic nation can be fulfilled. We cannot allow the National Convention to be derailed under any circumstances.'<sup>116</sup>

'In Burma the government opened only one channel for change, that is the roadmap,' says a KIO leader. 'The government is not interested in tri-partite dialogue. Those who want to talk with the government should come here, and not shout from abroad. Everybody wants immediate change, but we cannot get it. If we cannot get quick change, we must try slow change. Because the main thing is we need change.'<sup>117</sup>

### The National Convention

The National Convention first convened in January 1993, with 702 delegates hand-picked by the regime. This included only 99 representatives from political parties that won seats in the 1990 elections. Representatives from a few cease-fire groups attended as observers. In 1995 the National League for Democracy (NLD), the main opposition party, walked out of the National Convention in protest against political restrictions. The National Convention was suspended in March 1996, the regime seeming unsure how to move forward.

The National Convention only reconvened again eight years later, in May 2004, following the announcement of the 'Seven Step Roadmap'. A few days earlier, the NLD announced it would not attend. The NLD demanded five points, including the release of Aung San Suu Kyi and Vice-Chairman U Tin Oo, and the reopening of all NLD offices in the country, which the SPDC rejected.<sup>118</sup> This second session of the National Convention was attended by 1,088 delegates, most of them still chosen by the regime. However, this time there were also delegates from 17 cease-fire groups and 17 other smaller armed groups.

The military announced a number of principles to guarantee their future political role. The salient points are that the military will hold 25 percent of the seats in parliament, as well as the key ministries in the cabinet, setting a significant limit to depth of political change.

The UWSP has expressed disappointment about the National Convention. ‘The most difficult thing for the government is that every delegation wants to ask for their own territory...The main issue that made the delegates unhappy at the last National Convention was that the military government claimed that the military should be head of the nation.’<sup>119</sup>

The NLD’s decision not to attend further de-legitimised the convention. However, for some ethnic minority groups in Burma, in particular the cease-fire groups, the National Convention was the only game in town. Since the truce came into place, they had put their political weight behind the process to create a new constitution, in the hope that this would at least include some of their political demands. They reasoned that to have a constitution and a government was better than the current situation in which a military council ruled without a constitution. Furthermore, they argued, it was important to take a long-term view and realise that constitutions can be amended. They felt that if they could get some of their demands included in the new constitution, the effort would be worthwhile.

A number of Karen community leaders argued that the Karen could not afford to remain outside of the political process, albeit a flawed one. ‘People abroad can say the National Convention is a sham,’ said a Karen community leader in Rangoon. ‘But here we have to do it, it is our only option. If people here are joining the National Convention, do not attack them. They are doing what they can do within their own parameters. We want to explain this to the people outside Burma.’<sup>120</sup> They argued that, since the KNU boycotted the 1947 elections for the Constituent Assembly, Karen ethnic demands and rights had been placed outside the national political process, which in many respects, is still the case.

Ethnic minority representatives, especially from the cease-fire groups, hoped that the National Convention would be a platform from which they could formally put forward their political demands. ‘We need political reform in Burma. The National Convention is like a common theatre to put forward for the rights of the ethnic people. That is why we participate. We put forward our rights, and we declare our vision to the world. This is a big chance for us. The government cannot hide it, and people can also hear information from the radio. I think this is something positive. We cannot find a better method, there is no alternative. Therefore we support implementing the roadmap to the end.’<sup>121</sup>

The cease-fire groups have made several attempts to improve both the process and substance at the National

Convention. They submitted a number of proposals in 2004, calling for self-determination for their areas, but these were rejected by the SPDC. In February 2005 six cease-fire groups (KIO, NMSP, SSNA, PSLO, and the SSA) sent a letter to the National Convention Chairman, repeating their demands. They called to drop the provision that the military would continue to play a dominant role in politics. They also demanded to allow communication of the delegates at the National Convention with their headquarters, and to immediately engage in peace talks with armed groups without a cease-fire to enable them to participate at the National Convention.<sup>122</sup>

### **The SPDC’s ‘Seven Step Roadmap’**

The ‘Seven Step Road’ as announced by Khin Nyunt on 30 August 2003:

1. Reconvening of the National Convention that has been adjourned since 1996;
2. After the successful holding of the National Convention, step by step implementation of the process necessary for the emergence of a genuine and disciplined democratic state;
3. Drafting of a new constitution in accordance with basic principles and detailed basic principle laid down by the National Convention;
4. Adoption of the constitution through national referendum;
5. Holding of free and fair elections for Pyithu Hluttaws (Legislative bodies) according to the new constitution;
6. Convening of Hluttaws attended by Hluttaw members in accordance with the new constitution;
7. Building a modern, developed and democratic nation by the state leaders elected by the Hluttaw; and the government and other central organs formed by the Hluttaw.<sup>123</sup>

### **Khin Nyunt’s Fall**

In October 2004 Khin Nyunt, Prime Minister and chief of the Military Intelligence, was ‘permitted to retire’ and detained. Khin Nyunt was seen as third in the military hierarchy, after SPDC Chairman and Minister of Defence Senior General Than Shwe and SPDC Vice-Chairman and Army Commander Vice-Senior General Maung Aye).



The once powerful Military Intelligence apparatus was subsequently purged and dismantled. The SPDC was quick to stress that the removal of Khin Nyunt would not result in any policy changes, which were widely speculated. The SPDC organised a press conference soon after to confirm its commitment to the 'Seven Step Roadmap' and the National Convention, the cease-fire agreements, and its foreign policy.<sup>124</sup>

However, the removal of Khin Nyunt and many of his associates, and the dismantling of the MI apparatus had serious impact on the cease-fires. Khin Nyunt was the architect of the cease-fire movement in Burma. It was his office that since 1989 had directly negotiated separate truces with different ethnic armed groups. He had developed personal relationships with many of the leaders of the cease-fire groups and all direct contact with the cease-fire groups was controlled by his MI.

Following Khin Nyunt's removal, government pressure on the cease-fire groups increased, and relations with them deteriorated. In February 2005 SSA North leader Hso Ten was arrested, together with the Shan Nationalities League for Democracy (SNLD) leaders Hkun Htun Oo and Sai Nyunt Lwin, while attending a meeting in Taunggyi. They were subsequently sentenced to long jail terms. Three months later units of the SSNA, an ally of the SSA North, were told to disarm, but its leader Sai Yi escaped to the Thai

border with some of his troops and merged with the SSA-South. In mid-2005 the PSLO was also forced to surrender its arms.<sup>125</sup> When the National Convention reconvened in December 2005, the NMSP only sent observers, in protest to the lack of political progress.

Cease-fire groups complained that all the issues they had resolved with Khin Nyunt were not discussed in the National Convention anymore after his removal.<sup>126</sup> In July 2007, the KIO put out a detailed 19-point proposal, calling for substantial amendments in the draft constitution. The object was to make the constitution more federal in nature rather than the intended centralised unitary system. The proposal called for more legislative power for the divisions and states, enabling them 'have the capacity to function as self-governing bodies.'<sup>127</sup> This proposal was not approved.

### The 2008 Constitution

The drafting process of the new constitution at the National Convention came to an end in 2007. It does not address the main grievances and aspirations of the armed ethnic opposition groups. One of the main differences is that there will be a parliament and cabinet not only at the national level, but also at the level of all regions and states.<sup>128</sup>

Under the new constitution the seven 'divisions' (taining) have been renamed 'regions', while the seven 'states' (pyi-neh) retain their denomination as such. Six new 'self-administered areas' have been created. These are the Naga Self-Administered Zone in Sagaing Division; the Danu Self-Administered Zone; the Pao Self-Administered Zone; the Palaung Self-Administered Zone and the Kokang Self-Administered Zone in Shan State; and the Wa Self-Administered Division in Shan State.<sup>129</sup>

The main aim of the UWSP is to build a Wa State in Burma, but government officials have told them in the past they would have a status between 'state' and 'district'. UWSP leaders say this does not satisfy them.<sup>130</sup> More importantly, the UWSP also wanted this Wa State to include all the territory it currently controls, including the Southern Command area along the Thai border. The military government has ordered the UWSP on several occasions to move back to Panghsang, which the UWSP has so far refused to do.<sup>131</sup> In the new constitution the Wa Self-Administered Division excludes all UWSP territory along the Thai border as well as the crucial Mong Pawk and Hotao areas in the north. 'We have been managing and building that area for over 40 years,' says UWSP Vice-Chairman Xiao Min Liang. 'This is unacceptable for us.'<sup>132</sup>

### The 2008 Referendum

On 10 May 2008, just a few days after a powerful cyclone devastated the Irrawaddy Delta and Rangoon, leaving 130,000 dead and more missing, the military government held a referendum to approve the controversial new constitution. According to the regime, it was approved by over 90 percent of the voters. Opposition groups contest this and say the referendum was not free and fair and that the constitution does not represent the will of the people.<sup>133</sup>

The KIO initially decided to boycott the referendum, because the new constitution did not reflect their grievances and aspirations. However, at the end of March Lieutenant General Ye Myint, head of the new Military Affairs Security (MAS), promised the KIO it could remain armed until after the election, and then hold discussions with the new government, based on the contents of the KIO cease-fire agreement. On 9 May the KIO ordered members to vote in favour of the constitution.<sup>134</sup>

The northern Wa region along the Chinese border was one of the very few areas that officially produced a 'no' vote in the referendum. According to the Wa Education Bulletin, a monthly magazine published in the UWSP capital Panghsang, out of 38,000 voters, 55 per cent voted 'no', 35 per cent voted 'yes', and 11 per cent abstained. 'The major controversy was that according to the new constitution the Wa area has been diminished significantly,' says UWSP Vice-Chairman Xiao Min Liang.<sup>135</sup>

### The Elections of 2010

The regime has also announced elections for 2010, although no date has been set, and the new election law detailing rules and regulations has yet to be promulgated. However, the government has already indicated to the cease-fire groups that they need to form new political parties formally separate from their organisation. Those who join these political parties must take off their uniforms and resign from their organisations.

In September 2008 the KIO, NDA-K, KDA and representatives of Kachin civil society agreed to form a new political party. As the government has not officially allowed the formation of new political parties yet, they set up a temporary Kachin State Interim Committee (KSIC), and later announced the future formation of the Kachin State Progressive Party (KSPP) to contest the 2010 elections. 'We want to control the Kachin State Parliament, and we want to be present at the National Parliament,' says a Kachin community leader.<sup>136</sup>

The UWSP also says in it will participate in the election. 'We have already twenty years of peace agreement, and our principle is not to be separated from Burma,' says Zhao Wen Guang, the powerful UWSP Agricultural Minister. 'Because the current government of Burma is military, we will see the outcome of the election. If it is good, we will become more pro-active. But if it is still a military government, we will keep our current position.'<sup>137</sup>

### Disarmament or 'Border Guard Force'?

The regime has been adamant that it wants the cease-fire groups to disarm. They are unlikely to do so unless some of their basic political demands have been met. This is the key issue today and may lead to further fragmentation among armed groups. The original plan of Khin Nyunt was for cease-fire groups to disarm before the elections. When this proved to be impossible, the military government proposed that the groups would be integrated into the regular army as a kind of border force. 'They realised that it is not realistic to disarm all these cease-fire groups. They are still working on the details, and we have not made our decision yet,' Xiao Min Liang commented.<sup>138</sup>

On 28 April 2009 Ye Myint announced the plan to transform the cease-fire groups into a 'Border Guard Force' (BGF). Under this new scheme, each BGF battalion would have 326 troops, with 30 soldiers from the Burma Army, including one out of the three commanding officers, who among others will take charge of administrative work. BGF battalions will only be located in the territory of the cease-fire groups. The members will receive the same salaries as in the Burma Army.<sup>139</sup>

Border crossing between Kokang and Wa regions



It is likely that some of the smaller cease-fire groups will accept this offer. Two breakaway groups from the KNU, the Karen Peace Force and the DKBA, apparently agreed to become a BGF. According to one report the DKBA had started to forcibly recruit soldiers to ensure it has enough troops for various BGF battalions. The report also stated that the Burma army was preparing training centres for the BGFs.<sup>140</sup>

However, larger groups with a stronger political agenda such as the NMSP, KIO and the UWSP are unlikely to agree. The proposal would put the cease-fire armies officially under control of the Burma army also would reduce their size, as battalions are only allowed 326 soldiers.

In May 2009 the KIO held several meetings to discuss its response to the proposal. The KIO is likely to want to discuss such a proposal only after the elections with the new government. Initial reports coming out of the Wa region indicate that the UWSP would reject the proposal, but at the time of this writing there has not been an official statement.<sup>141</sup>

### The Future: War or Peace?

The single most important factor to achieve peace in Burma is the need to find a lasting political solution for the repression and lack of ethnic rights. Until now the military government has rejected even discussing the notion of federalism with ethnic minority organisations.

For the regime, the cease-fires are essentially a military and security matter. Officially, the government does not

want to break the cease-fire agreements, which it says are one of its key achievements. As stated above, some of these armed groups consider the cease-fires a strategy to promote change, not a goal in themselves. Failure to achieve progress may lead to a breakdown of the truces and a resumption of fighting. Initially, this is most likely to happen by younger radicals or breakaway factions from cease-fire groups rather than by mainstream groups as a whole.

The recent tension between the UWSP and the military government has led to speculation about a renewal of the armed conflict. But Wa leaders say they will not initiate hostilities. 'If the Burmese military does not shoot first, we will maintain the peace, and will not fight,' says Zhao Wen Guang. 'But we have to protect ourselves.'<sup>142</sup>

For the general population, a resumption of hostilities would be disastrous. 'I think the majority of the Kachin people are not satisfied with the current situation,' says a Kachin development worker, 'However with years without war, we have to admit that it would be extremely difficult for the general Kachin public if fighting would resume again.'<sup>143</sup>



Kokang woman

## Conclusion

Ethnic conflict is a key issue that needs to be resolved in order to bring about a lasting political solution. Without a political settlement that addresses the ethnic minority issue, it is extremely unlikely there will be peace and democracy in Burma. Instead of isolating and demonising the cease-fire groups, all national and international actors concerned with peace and democracy in Burma should actively engage with them, and involve them in discussions about political change in the country.

The cease-fire agreements have put an end to decades of fighting between the military government and a wide range of ethnic armed opposition groups. The cease-fire groups have followed different strategies to promote change. However, their main goals are similar. In realising these goals, the groups demonstrate various weaknesses. Most groups are non-democratic in nature, lack community participation in decision-making processes, and are ruled in an authoritarian manner. Their leaderships lack capacity and vision to develop alternative political, social and economic strategies to develop their regions.

The cease-fires have had dramatic consequences for the political landscape in Burma, and have also had huge socio-economic implications. These include both positive as well as negative developments. The end of fighting has brought relief for local communities, and allowed development and the functioning of civil society. The main weakness of the agreements is the lack of a peace process as a follow up to find a political solution.

The international community, especially the West, has ignored the cease-fire groups and their political demands. Some of the groups have been demonised as the main culprits of the drugs trade. Instead the West has focussed on events in Rangoon and the demands of the opposition National League for Democracy (NLD), led by Aung San Suu Kyi. Neighbouring countries, especially China and Thailand, play a key role in the future of the cease-fires. They have adopted a more pragmatic policy, although relations are sometimes tense.

The cease-fire agreements have had several economic consequences. The end of the fighting allowed for major economic-development projects. It also encouraged unsustainable natural resource extraction, especially logging and mining, on a much larger scale than before the truces. These projects do not significantly profit the population. The military government has not addressed the main grievances and aspirations of the cease-fire groups. The regime wants them to disarm, or become Border Guard Forces. It also wants them to form new political parties to contest the controversial 2010 elections. They are unlikely to do so unless some of their basic demands are met. This raises many serious questions about the future of the cease-fires, and about the prospects for peace and democracy in Burma.



Karen dance

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**Abbreviations**

BSPP	Burma Socialist Programme Party
CPB	Communist Party of Burma
DAB	Democratic Alliance of Burma
DKBA	Democratic Karen Buddhist Army
KDA	Kachin Defence Army
KIO	Kachin Independence Organisation
KMT	Kuomintang
KNPP	Karen National Progressive Party
KNU	Karen National Union
KSPP	Kachin State Progressive Party
NDF	National Democratic Front
NLD	National League for Democracy
NMSP	New Mon State Party
MI	Military Intelligence
MNDAA	Myanmar National Democratic Alliance Army
MTA	Mong Tai Army
NDAA	National Democratic Alliance Army
NDA-K	New Democratic Army - Kachin
PNO	Pao National Organisation
PSLO	Palaung State Liberation Organisation
SLORC	State Law and Order Restoration Council
SPDC	State Peace and Development Council
SSA	Shan State Army
SSA North	Shan State Army - North
SSA South	Shan State Army - South
UWSP	United Wa State Party

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 TNI, Amsterdam, January 2009  
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### From Golden Triangle to Rubber Belt?

The Future of the Opium Bans in the Kokang and Wa Regions  
 TNI Drug Policy Briefing No.29, July 2009

This year marks the twentieth anniversary of the first cease-fire agreements in Burma, which put a stop to decades of fighting between the military government and a wide range of ethnic armed opposition groups. These groups had taken up arms against the government in search of more autonomy and ethnic rights.

The military government has so far failed to address the main grievances and aspirations of the cease-fire groups. The regime now wants them to disarm or become Border Guard Forces. It also wants them to form new political parties which would participate in the controversial 2010 elections. They are unlikely to do so unless some of their basic demands are met. This raises many serious questions about the future of the cease-fires.

The international community has focused on the struggle of the democratic opposition led by Aung San Suu Kyi, who has become an international icon. The ethnic minority issue and the relevance of the cease-fire agreements have been almost completely ignored.

Ethnic conflict needs to be resolved in order to bring about any lasting political solution. Without a political settlement that addresses ethnic minority needs and goals it is extremely unlikely there will be peace and democracy in Burma. Instead of isolating and demonising the cease-fire groups, all national and international actors concerned with peace and democracy in Burma should actively engage with them, and involve them in discussions about political change in the country.

This paper explains how the cease-fire agreements came about, and analyses the goals and strategies of the cease-fire groups. It also discusses the weaknesses the groups face in implementing these goals, and the positive and negative consequences of the cease-fires, including their effect on the economy. The paper then examines the international responses to the cease-fires, and ends with an overview of the future prospects for the agreements.

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.

Since 1996, TNI's Drugs and Democracy Programme has been analysing trends in the illegal drug economy and global drug policy, causes and effects on the economy, conflict situations and democracy. The programme does field research, fosters policy dialogues, provides information to officials and journalists, coordinates international campaigns and conferences, produces analytical articles and documents, and maintains a website on the topic.

TNI's Peace and Security Project brings together cutting-edge analysis of critical conflicts, including Burma, the Middle East and Afghanistan. It allies itself with a growing international movement challenging foreign military bases, and is pioneering research on the little-publicised spread of new security infrastructure in Europe and worldwide.