

Assessing Burma/Myanmar's New Government

Challenges and Opportunities for European Policy Responses

Amsterdam, 22 & 23 February 2012

A two-day conference under Chatham House rule¹ was organized on 22-23 February in Amsterdam by BCN-TNI to assess ongoing social and political changes in Burma/Myanmar under the government of President Thein Sein. Sixty people attended, including representatives of Burmese civil society as well as international non-governmental organisations, diplomats and academics.

Burma/Myanmar is in the midst of its most important period of political transition in over two decades. Previous times of government change since independence have led to conflict and division rather than inclusion and national progress. Thus the conference focused on developments in five key areas – politics, ethnic relations, the economy, social and humanitarian affairs, and the international landscape – in order to consider the challenges and opportunities that present changes bring.

Analysis during the conference reflected the rapid speed of recent change, welcoming the potential that this provides for reconciliation and addressing long-neglected needs. But progress also requires realism and the inclusion of all citizens to foster stability and national advancement. The rapprochement between the government and National League for Democracy, promised economic change and recent spread of ethnic ceasefires are providing grounds for optimism that Burma/Myanmar could be embarking on a road to democratisation and reform. Western

governments are keen to support such processes. But the social and political landscape is uneven, with differences between Yangon, for example, and the rest of the country. Burma/Myanmar is at the beginning of a new time of socio-political change – not at an end. It is thus essential that domestic and international policies are reflective of realities and support inclusive reform. The divisions and state failures of the past must not be repeated.

In politics, the new government under President Thein Sein appears determined to make the new constitutional system work. Censorship has reduced; many political prisoners have been released; and the door opened to political exiles and international critics. But there remain many uncertainties about how the new political system will evolve. Through the Union Solidarity Development Party, a governmental transition has taken place from the military State Peace and Development Council. But it is unclear how the NLD, ethnic and other opposition parties will fit into the political process. Peace talks in the coming month and parliamentary by-elections on 1 April may answer some of these questions. But, in the meantime, there are many shades of grey in the functioning of government. Progressive discussions are taking place at the top of government, but doubts remain about the framing of legislation and the ability to implement through all levels of administration. Much still depends on individuals rather than policy. At the same time, the division of powers be-

tween the central and regional parliaments is not clear, while the role of the armed forces and regional commanders – although governmentally reduced – is another source of uncertainty. Judicial reform, too, appears weak, and the country has few legal experts to advance the process. Nevertheless engagement with the government is necessary to support democracy and change. Reform cannot be introduced by civil society or opposition politics alone.

Many of the same uncertainties exist in ethnic relations. While President Thein Sein's pledges to prioritize ethnic peace have been welcomed, the government has not developed a consistent policy to resolve the country's ethnic conflicts. Ceasefires have been signed with the majority of armed ethnic forces, but a transparent process towards political solutions has yet to be agreed. Continued government military operations in the Kachin state and northern Shan state, especially, are raising doubts about government intentions, and there are concerns that both the government and armed forces have economic rather than political agendas in the ethnic borderlands. Humanitarian suffering has been continuing, with the numbers of refugees and internally displaced persons rising. Thus failure by the government to establish ethnic peace could risk a new generation of ethnic grievance. In general, however, hopes of ethnic dialogue and peace have increased over the past year, and the challenge now is the establishment of an inclusive reconciliation process by which a just and equitable peace can be achieved in the whole country. Attention needs to be paid to the failures of past peace attempts, including the lack of political dialogue and international neglect. In addition to addressing humanitarian needs, it will also be important that all sectors of society are engaged in the peace process. For peace to become sustainable, talks should not simply be between armed groups on all sides but should include consultative processes that are from the bottom-up.

In the economic sphere, far-reaching changes have also been promised, and long-overdue discussions have begun on such issues as poverty alleviation and exchange rates with such bodies as the International Monetary Fund and World Bank. The country increasingly appears "open for business", and in the coming years the impact of such mega-projects as the oil and Shwe gas pipelines from the Rakhine state coast to China and Dawei Development Project with Thailand will also become significant in redefining the political economy. Major reforms, however, are still needed if economic modernization and progress are to succeed. Economic discontent remains widespread. Among needed changes are a working investment law, a just land policy, strong social and environmental safeguards, a functional central bank, a proper exchange rate, an end to cronyism, poverty mapping, local development funds, and participatory planning that fosters good governance and public consultation on development issues. International sanctions also constrain the ability of government to reform. If positive change continues, Western boycotts will be run down – although opinions continue that this should not be until the commitment of the government to ethnic peace and democratic reform is certain. In reality, Western trade with the country is small, with Europe only accounting for 1.9 per cent of total trade. But, as a start, the European Union could consider restoring Generalised System of Preferences (GSP).

In social and humanitarian affairs, change has already been underway for some years. Civil society dynamics are increasing, with independent and community-based activities developing in such areas as health, education, agriculture, media, environment and culture. But the landscape is not certain. The USDP is proposing a non-governmental organization law; censorship has not been totally lifted; and state control remains pervasive in many aspects of national life. Nevertheless NGOs and com-

munity-based groups are becoming an ever more important part of local participatory action, and this trend is likely to continue if democratization spreads. In the meantime, humanitarian needs in the country remain great, with over 150,000 refugees in neighbouring countries and higher numbers of internally displaced persons in the ethnic borderlands. In addition, malaria, tuberculosis and HIV remain serious health challenges, despite increasing support through the Three Diseases Fund and Global Fund.

Finally, the international stage is also now in flux. China's influence remains dominant in the country. But the recent steps in political re-engagement through the USA, EU, UK, Norway and other Western governments have taken Beijing by surprise. Burma/Myanmar is deeply linked to the development strategy of Yunnan province; 40% of FDI comes from China; and the oil and gas pipeline projects underway are a cornerstone of China's "two oceans" strategy and energy security for five southwestern provinces. The postponement of the controversial Myitsone dam project in Kachin state by President Thein Sein has also raised China's concerns. But it is too early to predict how the international landscape will evolve. China should realize that it needs to engage more broadly with the Burma/Myanmar people. And Western governments need to balance dialogue with the government with aid policies that support democracy, ethnic peace and humanitarian relief to the most vulnerable and needy communities.

NOTES

1. The Chatham House Rule reads as follows: "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed." See: <http://www.chathamhouse.org/about-us/chathamhouserule>

TNI-BCN Project on Ethnic Conflict in Burma

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

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

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

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

Transnational Institute

PO Box 14656
1001 LD Amsterdam
The Netherlands

Tel: +31-20-6626608
Fax: +31-20-6757176

E-mail: burma@tni.org
www.tni.org/work-area/burma-project

Burma Centrum Netherlands

PO Box 14563
1001 LB Amsterdam
The Netherlands

Tel.: 31-20-671 6952
Fax: 31-20-671 3513

E-mail: info@burmacentrum.nl
www.burmacentrum.nl

Burma Policy Briefings

Burma in 2010: A Critical Year in Ethnic Politics, Burma Policy Briefing No.1, June 2010

Burma's 2010 Elections: Challenges and Opportunities, Burma Policy Briefing No.2, June 2010

Unlevel Playing Field: Burma's Election Landscape, Burma Policy Briefing No. 3, October 2010

A Changing Ethnic Landscape: Analysis of Burma's 2010 Polls, Burma Policy Briefing No. 4, December 2010

Ethnic Politics in Burma: The Time for Solutions, Burma Policy Briefing No. 5, February 2011

Burma's New Government: Prospects for Governance and Peace in Ethnic States, Burma Policy Briefing No. 6, May 2011

Conflict or Peace? Ethnic Unrest Intensifies in Burma, Burma Policy Briefing No. 7, June 2011

Ending Burma's Conflict Cycle? Prospects for Ethnic Peace, Burma Policy Briefing No. 8, February 2012

Other Briefings

Burma's Longest War: Anatomy of the Karen Conflict, by Ashley South, TNI, March 2011

Burma's Cease-fires at Risk; Consequences of the Kokang Crisis for Peace and Democracy, by Tom Kramer, TNI Peace & Security Briefing Nr 1, September 2009