



Supporting the transitions in Myanmar

MAINTAINING MOMENTUM MEANS ENGAGING ALL PARTIES

Western governments and aid agencies are eager to support Myanmar's promising, yet complex transition towards democracy, market economy and peace. But figuring out how to best engage in the Myanmar transitions is not an easy task.

At the root of the predicament is the paradoxical fragility of the Myanmar state and the inherent dilemmas of statebuilding in contested territories. To support inclusion and representation, donors should strive to engage a broad range of partners, including ethnic groups and civil society.

RECOMMENDATIONS

Donors engaging in Myanmar should

- Remain conscious of the fragility of the Myanmar state
- Ensure that conflict-sensitivity is mainstreamed into all aspects and phases of development programs
- Strive to work with and engage as broad a range of actors in Myanmar as possible
- Commit to Myanmar for the long-haul

Finding ways of bridging ethnic, non-state systems to the formal state system is key to reaching marginalized groups and maintain momentum in the national peace negotiations



“Outsiders can at best play a small role in supporting the necessary national dialogue. In Myanmar the role of the international community is even more restricted.”

Myanmar has recently embarked on a triple transition: from military rule to an elected government; from a centrally planned economy to a market-based one; and from prolonged civil war to national reconciliation. Remarkable progress has been achieved at an impressive speed. The transitions, however, remain in their very early stages. The military still holds significant formal and informal powers, and after decades of authoritarian rule, ethnic-based violent conflict and international sanctions, the country faces deep structural problems of underdevelopment, dysfunctional governance and growing intercommunal tensions. Once among the most prosperous countries in the region, Myanmar is now one of the poorest countries in Asia. Yet as the country has opened up to foreign investment and international assistance, growth rates have been soaring. Real GDP growth in Myanmar is expected to rise to 7.8% in 2016-2017. Free elections and economic growth are, however, not enough to guarantee long-term stability and peace. An

ABOUT MYANMAR	
Population	51.4 million
Life expectancy	65,7 years
Poverty rate	26%
Per capita income	US\$ 702
GDP growth rate 2015	7%

inclusive political settlement on the future identity of the country is needed which is why the peace process is a cornerstone of the Myanmar transitions. Progress has been achieved, in particular with the signing of a National Ceasefire Agreement (NCA) in 2015. So far, approximately 20 of the ethnic armed organizations (EAOs) that are party to the conflict have signed the NCA. Starting 31 August 2016, a landmark national peace conference will be held in the country’s capital, Naypyidaw. The conference is not expected to deliver a major political break-through, yet it is hoped that it

FROM MILITARY RULE TO ELECTED GOVERNMENT

The transitions in Myanmar began with the 2008 revision of the constitution that provided for national elections while safeguarding the military’s core interests and political position. Elections were first held in 2010, but were largely regarded as rigged and the ‘elected’ government consisted primarily of former military leaders. Nevertheless, once in office the semi-civilian government launched a comprehensive reform program that surprised most observers. In November 2015, national elections were held again – this time free and fair – which paved the way for the first orderly hand-over of power to an elected government in six decades.

The democratization process remains, however, shallow, as local-level governments are still unelected and under the control of the military. The military retains significant powers, including control over the National Security Council, key security-related ministries and 25% of the seats in the parliament. This is enough to effectively block any major changes to the constitution, thereby ensuring the military a key role in the political landscape of Myanmar.

will prompt the remaining EAOs to sign the NCA, and lay the grounds for political dialogue meetings every six months.

As it currently stands, the peace process is neither fully inclusive, nor irreversible. It does not include all armed groups, civil society feels excluded from the political dialogue and military attacks continue in the North. A long-term political solution is expected to include some form of federal restructuring of the country. The National League for Democracy (NLD) government has made an official commitment to federalism, yet it is unclear what kind of power-sharing the NLD imagines, to what extent the powerful military will support it, and whether this will be sufficient to satisfy ethnic leaders' demand for political self-determination. The long-term stability in Myanmar is also threatened by growing intercommunal violence, in particular, but not exclusively, against the Muslim Rohingya minority communities in the Rakhine state. In response to international criticism, the government has announced a high-level Advisory Commission to work specifically on the situation in the Rakhine state.

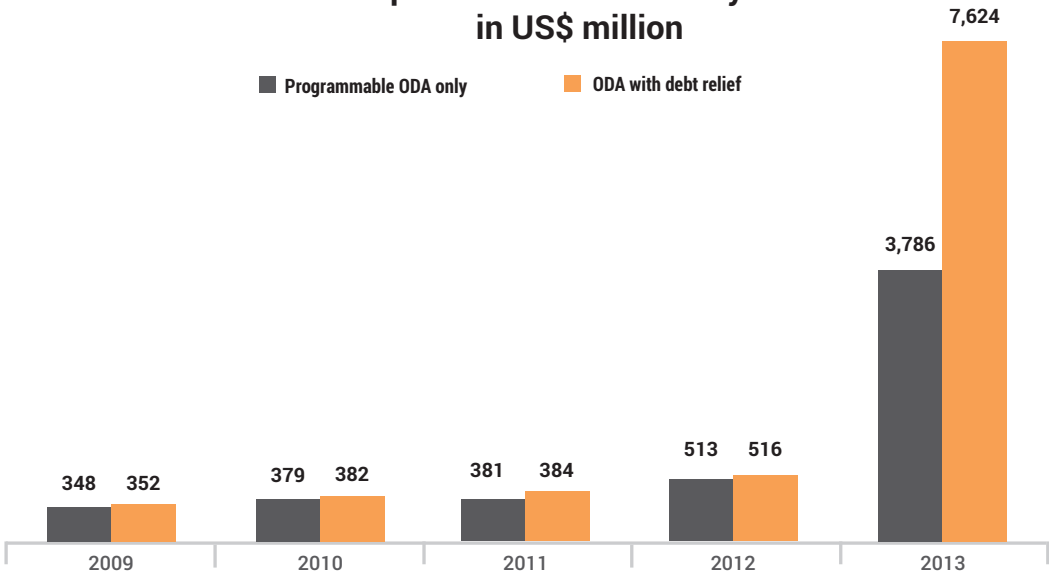
A HOME-GROWN TRANSITION AND THE ROLE OF OUTSIDERS

Reaching an inclusive political settlement is an internal challenge. Outsiders can at best play a small role in supporting the necessary national dialogue. In Myanmar the role of the international community is even more restricted. The peace process does not involve third-party mediation or international monitor-

ing mechanisms. This leaves only limited space for international engagement in and support to the peace process. In 2015, Western donors established a 120 million USD Joint Peace Fund to “support a nationally-led peace process on an inclusive and multi-partial basis”. The governance structures and criteria for funding etc. are still being negotiated with the government. At the same time, China provides separate peace funding and has been invited as an observer to previous rounds of peace talks. The Myanmar government must balance different geopolitical considerations – including Chinese concerns over the growing Western presence in Myanmar – as it attempts to move forward with the peace process.

The gradual steps towards civilian rule and an open economy were initiated by the former military leadership to reengage the West and allow for a rebooting of the economy and limiting the influence of China. The military still holds considerable powers, including control over key ministries in the new civilian government. That construction results in deep tensions within the central government, but it can also be a strong locus for deciding the pace, scope and direction of change, as the military and the elected government representatives are compelled to work together. This bodes well for the sustainability of the Myanmar transitions. Reform packages that are imposed from the outside and lack the support of national elites have rarely, if ever, succeeded in bringing about fundamental societal transformations.

Official development assistance to Myanmar in US\$ million



Source: OECD-DAC Gross Disbursement Data

The risk is, however, that it leads to an overly state-centric approach to development that counteracts the peace process and the wider aims of building an inclusive, representative and accountable state. Multiple actors in Myanmar are not part of the central government, notably the ethnic minority parties and representatives.

KEEPING MOMENTUM AND AVOIDING COUNTER-PRODUCTIVE AID

This risk of state-centrism is amplified by the notion among donors that windows of opportunity will close if not filled with programming and interventions. After years of receiving primarily humanitarian assistance via civil society organizations, official development assistance to Myanmar is soaring while bilateral donor governments and multilateral agencies are fully reengaging with the government.

The need to maintain and support the current political momentum for reform in Myanmar is evident. But so are the risks of aid being provided in a counterproductive manner, if substantial amounts of resources are injected into a volatile situation without sufficient consideration to the ways in which such resources affect the local actors and the relations between them. This risk is well-known in fragile states. In Myanmar it is amplified by the ways in which donors are kept at bay in relation to the peace process while warmly welcomed to support socio-economic development. This works against the need for mainstreaming conflict sensitivity into donor programming and underscores the risk of conflict between grand-scale development programming and small-scale, localized peace projects. Increasingly, civil society organizations and ethnic groups worry that their concerns over e.g. land rights, political self-determination, decentralization and cultural diversity will be sidelined or even excluded from shaping national development programs, as donors favour working with and through the central

government. Such worries serve as a strong reminder for donors to remain conscious of the contested nature of the Myanmar state.

STRONG POTENTIAL IN INTERIM ARRANGEMENTS AND NON-STATE AUTHORITIES

After decades of military rule, many citizens continue to regard the Myanmar state with distrust. This is especially the case in the borderlands, where EAOs have been fighting with the military for decades. In many of these areas, the central state maintains only a limited and highly contested presence. EAOs have maintained their own governance structures and provision of basic services such as security, justice, health and education. The ethnic armed organizations consider service provision by the central state harmful to their political demands for federalism and power-sharing. Partly in recognition of this, the NCA contains provisions for formalizing some of the systems of the ethnic organizations as 'interim arrangements', e.g. by enabling local language school systems to operate with some form of state authorization.

The modalities and mechanisms for ensuring this remain very much a work-in-progress. And the potential entry points for donors will likely be difficult to find. Cumbersome as that may be, finding ways of bridging ethnic, non-state, systems to the formal state system is key to reaching marginalized groups and maintain momentum in the national peace negotiations. Responsibility for manoeuvring this tricky process clearly rests with the parties to the conflict. The donor community for its part, is responsible for ensuring that its programming modalities do not inadvertently obstruct the emergence of such hybrid, interim mechanisms and their peacebuilding potential.

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Coverphoto: Aung San Suu Kyi speaks with military generals during the presidential handover ceremony in Naypyitaw, Myanmar, March 30, 2016.
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