

## Chapter 14

### **Myanmar's Contested Borderlands: Uneven development and ongoing armed conflict**

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#### **Abstract**

Attempts to assert control over the country's borderlands have been a central dynamic of the statebuilding agendas of successive governments in Myanmar, albeit a deeply conflictual one in light of the fact that the power and legitimacy of the state has been historically weak and contested throughout much of the country. This chapter explores the unresolved issues surrounding the distribution of power between centre and borderlands that have shaped the mentalities of both the central government and border-based opposition groups since Myanmar's independence, and the diverse patterns of cross-border interactions that connect Myanmar's borderlands to the wider region.

#### **Introduction**

Stretching from the high mountains of the Himalayan massif in the north of the country to a long narrow strip of land in the south between the Andaman Sea and the Titwangsa mountains, Myanmar shares mainland borders with five countries. To the west and northwest Myanmar shares a short border with the Chittagong Division of Bangladesh and extensive borders with the states of Mizoram, Manipur, Nagaland and Arunachal Pradesh in northeast India. To the north and northeast, Myanmar's border with China runs for more than 2,000 kilometres with the Tibet Autonomous Region and Yunnan Province. In the south and southeast, the country shares a short border with Laos and a border of almost 2,500 kilometres with Thailand. The country also has an extensive, contiguous maritime border stretching for almost 2,000 kilometres along the Andaman Sea and the Bay of Bengal.

Within these international borders, the country comprises the lowland Irrawaddy River Valley surrounded by a vast horseshoe arc of hills that encompasses the Naga and Chin Hill Tracts and the Arakan Mountains in the west, the Hengduan Mountains to the north, the Shan Plateau to the east and the Tenasserim Hills in the southeast. The country's distinct physical

geography has shaped the relationship of the country's borderlands with Myanmar's putative centre and its neighbours. For centuries prior to British colonial rule, Burma's Kingdoms were centred on the Burman plains of the Irrawaddy Valley with contested and fluctuating claims over much of the ethnically and linguistically diverse upland areas that now comprise much of the country's borderlands. Across the country's highly porous maritime and land borders – some of which have never been fully demarcated – trade, migration and kinship networks, and flows of commodities, labour and capital have long connected Myanmar's borderlands into regional and global circulations, and have had a profound influence on the country's social, political and economic history (Sadan 2013; Chang 2014).

Although it is beyond the scope of this chapter – which focuses on Myanmar since 1962 – to provide a detailed treatment of the impact of British colonial rule on the delineation of Myanmar's borders, and the experiences of borderland populations, it is impossible to understand the nature of centre-borderland relations in post-colonial Myanmar without briefly addressing the legacy of colonialism. Under British rule, most of the country's international borders were officially demarcated. Imperial cartography resulted in a much stronger association between state, territory, sovereignty and international borders, and led the colonial state to lay claim to territory and populations over which Burmese Kings had historically exerted fluctuating sovereign claims. However, within these colonial borders, British rule divided the country between 'Burma Proper' – an area centred on the Lowland plains that came under direct British rule – and the so-called 'Frontier Areas', encompassing most of the country's uplands where the British sought to govern through a system of indirect rule. This bounded but separately administered system of government entrenched the central state's claims to govern the country's frontier areas, but provided few foundations – in terms of administrative structures or an inclusive national project – upon which to do so. This colonial geography also helps to explain why in a Myanmar context, reference to the country's 'borderlands' often refers to the extensive upland regions encircling the centre of the country.

The British were aware of the anomalous status of the Frontier Areas and their relationship with 'Burma Proper', although addressing this issue was perpetually deferred. However, the impact of the Second World War and the rapid dismantling of the British Empire truncated the time available, and the motivation, to address the tensions and contradictions in centre-borderland relations. The priority for Britain's colonial rulers was to establish "a united

Burma in the shortest possible time” to pave the way for a quick and orderly handover of power (Major-General Rance, cited in Smith 1991, 77). The 1947 Panglong Agreement, agreed between the Burmese government under Aung San and Chin, Kachin and Shan representatives, paved the way for the administrative unification of the Frontier Areas and Burma Proper to form an independent Burma, in which the Frontier Areas comprised 40% of the country’s territory (Walton 2008).

### **Myanmar Under Military Rule**

Attempts to assert control over the country’s borderlands have been a central dynamic of the statebuilding agendas of successive post-colonial governments, albeit a deeply conflictual one in light of the fact that the power and legitimacy of the state has been historically weak and contested throughout much of the country (Smith 1991). The incursion of Kuomintang (KMT) troops across the China border in 1949 following the end of the Chinese Civil War created a crisis for the newly independent state. The Burma Army’s inability to repel these troops, which by 1951 were gaining clandestine support from US bases in Thailand, and the subsequent fear of a Chinese invasion, revealed the profound weaknesses of state authority in borderland regions (McCoy 1991; Tun 2009). The KMT invasion also impacted upon power relations at the centre of the Burmese state, most importantly by providing the impetus for military reform through the 1950s which in turn enabled the Burma Army (known as the Tatmadaw) to wrestle control over state institutions (Callahan 2003).

Tensions continued to grow throughout the 1950s regarding the relationship between central government and the country’s ethnic states. Efforts to address these tensions through political negotiation were curtailed by the 1962 military coup led by General Ne Win. Ne Win justified the military takeover of power through claims that the country’s constitutional democracy was incapable of protecting the country from external threats and internal fragmentation. The emphasis upon controlling ‘unruly’ borderlands and the threat posed by disloyal ethnic minority populations became deeply embedded in the psyche of military elites and the discourses used to justify military rule and the use of extreme violence against ethnic minority populations.

However, as Ne Win’s government sought to establish greater authority throughout the country, borderland areas became a “privileged site of rebellion” against the state (Van Schendel 2005, 356). In part, this was linked to the country’s distinct physical geography: as

the military government gradually pushed insurgent movements out of the Delta and central Burma, the mountain ranges and dense forests that encompass much of the country's border regions, coupled with limited road networks, provided a powerful physical buffer to encroaching military activities. Long-standing cross-border trade routes sustained armed groups by enabling them to access weapons and basic goods and to generate revenue through trade, as well as providing escape routes for civilian populations fleeing the armed conflict. China provided extensive support for the Communist Party of Burma (CPB) – headquartered along the China border, some of which the CPB funnelled to an array of armed groups throughout the country's borderlands (Lintner 1990). Meanwhile, various armed groups along the Thai border received US and Thai support to act as anti-Communist forces against the CPB and at times also the Communist Party of Thailand in northern Thailand. In the west, Burma's fragmented insurgency was mirrored by the equally complex armed movements in north-eastern India with armed groups regularly moving across this international border to evade their respective state armed forces.

Borderland dynamics were also shaped by the economic mismanagement of Ne Win's government. Burma's population were required to navigate three economic systems: the official state-controlled economy, the black market in domestic goods supplied by illegal traders that enabled people to circumvent government procurement and rationing (especially for rice, fuel and cooking oil), and the cross-border black market in goods – ranging from foodstuffs and clothing to motorbikes and household appliances – imported illegally through the country's porous borders and which became a key mechanism financing border-based armed groups. This situation invoked paradoxical responses from the state. For much of the Ne Win period, the role of the black market in satisfying domestic demand for goods the economy could not produce discouraged state efforts to tackle it (Hlaing 2003). However, the near bankruptcy of the state by the mid-1980s in contrast to the wealth circulating in the black market ultimately inspired the government's decision to demonetise the kyat in 1985 and 1987. This move wiped out many people's savings and contributed to rising dissent that culminated in the 1988 nationwide anti-government protests. Along the borders, foreign currencies (such as Chinese RMB and Thai Baht) have long been used alongside Myanmar Kyat for daily transactions, with people preferring – both historically and now – to save money in foreign currency due to the fear of government demonetization and the instability of Myanmar currency.

The country's longstanding armed conflict has created a tendency to view the country's borderlands as shaped predominantly by the forces of state versus non-state ethnic armed groups. However, the dynamics shaping the country's borderlands have never fitted simply into this binary dynamic. Many of the country's borderlands contain minorities within minorities, and political authority has remained highly fragmented, comprising diverse interests, fluid alliances and informal structures of authority that do not fit easily into a simple state/anti-state dynamic. There have been multiple long-lasting local conflict fault-lines between different armed groups and amongst borderland populations (at times stoked by the military as part of enduring divide-and-rule strategies). These conflicts have often been especially intense along the country's borders in light of the opportunities that these spaces offered in terms of controlling or taxing border trade – creating mosaics of fragmented sovereignty and overlapping territorial control. In southern Shan State, for example, KMT, CPB, Shan, Wa, Lahu, and Pa-O armed groups regularly fought each other throughout the Ne Win era for control over territory and key trade routes. This posed huge challenges for populations living in these regions, and those who sought to flee armed conflicts by moving across the border (Lertchavalitsakul 2017: Chapter 2).

#### *Myanmar's post-1988 borderlands*

By the late 1980s, the state was close to bankruptcy, insurgency remained widespread throughout much of the country's ethnic states, and the emergence of the National League for Democracy (NLD) led by Aung San Suu Kyi, following the 1988 nationwide protests, embodied a powerful political opposition movement that was able to win support across ethnic groups throughout the country. However, a number of developments began to fundamentally change the dynamics of the country's borderlands. For a number of economic and geopolitical reasons, securing control over the country's borderlands became central to the statebuilding efforts of the State Law and Order Restoration Council (SLORC) – the new military administration established to replace Ne Win's government in 1988 and which ruled the country after annulling the 1990 election result in which the NLD had won a landslide victory. Ne Win had attempted to pursue a strategy of import-substitution industrialization financed by the export of agricultural surpluses, primarily rice (with production centred in the Delta region) and timber (Than 2007, 225). By the 1980s, this strategy had clearly failed: Myanmar had been the world's largest rice exporter for a time in the 1950s, but exports never rose above 10% of national production after 1972, and in 1987 the country applied for UN Least Development Country status in order to access debt relief (Dawe 2002, 364). As the

new military government looked for opportunities to improve government revenue and stabilise the economy, the country's borderlands – especially with China and Thailand – became highly coveted in terms of the potential they offered for generating revenue from cross-border trade and resource extraction.

This vision of the country's borderlands as sites of economic opportunity and resource frontiers was mirrored by the country's neighbours. Within China, these interests operated at multiple levels. At a national strategic level, Myanmar offered China access to the Bay of Bengal, providing an alternative route to the Malacca Straits for its energy supplies. Cross-border trade and investment was also viewed as providing a way for China to stimulate economic development in the country's internal landlocked provinces and address the country's growing coast-interior divide. Within Yunnan, political and business elites sought to capitalise on cross-border trade and investment to re-brand the province as a 'bridgehead' at the centre of the China-Southeast Asia region, rather than the periphery of coastal-dominated China (Summers 2013, 59-69). In Thailand, business elites advocated for improved political and economic relations with Myanmar as part of Thailand's efforts to convert mainland Southeast Asia "from battlefields to marketplaces" – a strategy Thai elites believed would make it the predominant merchant state in the region (Renard 1996, 108). Indeed, large-scale cross-border logging, fishery and gemstone concessions granted by the SLORC to Thai businesses in 1989 played a pivotal role in staving off the immediate financial crisis facing Myanmar's new military government (Bryant 1997; Zaw 2008). Alongside these formal concessions, deals struck between Thai businesses and various EAOs, especially for logging, also opened up new resource frontiers in borderland areas beyond Myanmar government control.

These interests were also reflected in the Asian Development Bank-funded Greater Mekong Sub-Region (GMS) Initiative, launched in 1992 and designed to stimulate trade between Thailand, Laos, Cambodia, Vietnam, Yunnan Province (China) and Myanmar by establishing 'economic corridors' through borderland regions. In the west, India initially denounced the SLORC government but gradually looked to border trade and improved ties with the Myanmar government as a mechanism through which to promote economic development in the country's northeast and to overcome the region's insurgency (Egretreau 2003). This was reflected most clearly in the Indian Government's 'Look East' policy, initiated in 1991,

which sought to strengthen the country's economic and strategic relations countries throughout Southeast Asia.

Alongside these geopolitical shifts, dynamics within the country's borders underwent a number of decisive shifts. In the mid-1980s the Myanmar Army won a number of decisive victories, notably around the key China-Burma border towns of Panghsang – the headquarters of the CPB – and Muse. In 1988 the government legalised cross-border trade through a number of government-controlled trade gates, the most important being Muse in northern Shan State on the China border and Tachilek on the Thai border in Eastern Shan State. The 1988 Foreign Investment Law and the 1991 'Wastelands Law' – which enabled the government to allocate large scale concessions of 'fallow' and 'waste land' (effectively including all customary and communal land, regardless of whether it was being farmed) – provided a legal framework for large-scale resource extraction (Ferguson 2014; TNI 2012).

Most dramatically, the new military government offered ceasefire agreements to ethnic armed organisations (EAOs), beginning with the four main splinter groups of the CPB, which had collapsed in 1988. These unofficial agreements did not address political grievances but did offer EAOs varying degrees of local autonomy, economic opportunities, promises of economic development assistance and invitation to the National Convention to devise the country's new constitution, in return for ceasing attacks against the government and severing ties with non-ceasefire groups (Oo and Min 2007). The ceasefires brought stability to some of the worst-affected conflict areas in Myanmar, notably northern Shan State and Kachin State, although this enabled the Myanmar Army to concentrate devastating attacks on non-ceasefire groups throughout the 1990s, notably against the Karen National Union (KNU) in Kayah State, and throughout southern Shan State. Amidst this continuing violence, the country's borders continued to provide an important lifeline to populations, who often congregated in camps close to international borders or in large refugee camps across the border, especially in northern Thailand and in Cox's Bazaar in Bangladesh, or who made the decision to migrate – temporarily or permanently – in search of jobs and safety. Along the China border, the ceasefires granted to former CPB groups (most notably the United Wa State Army (UWSA)) resulted in greater levels of stability and the emergence of a number of highly autonomous 'special regions' (Kramer 2007). These regions have become increasingly integrated with China, as shown by their use of Chinese currency, language, time and mobile phone and internet networks. They have capitalised on their ambiguous status to generate vast revenue,

much of it through casinos (officially outlawed in the rest of Myanmar, Thailand and China) and illicit cross-border trade.

The culmination of shifting geopolitical interests since the late 1980s, the military government's efforts to wrestle greater control over the country's borders, and the fragile stability generated by the ceasefires had a profound impact on the political economy of the country's borderlands. Since the late 1980s, Myanmar's borderlands have been shaped by a series of inter-connected dynamics: a prolonged process of militarised statebuilding, the emergence of an economic frontier in which borderland areas became key sites of resource extraction, and a stalled peace process that provided few foundations through which to address the country's longstanding centre-borderland tensions.

Militarisation became a means of securing a number of objectives simultaneously, enabling the government to continue to combat insurgency, to manage the ceasefire agreements brokered with armed groups, and to secure control over natural resources, trade and development sites located in contested border regions. Despite the vast increase in the national military budget, army units continued to be required to 'live off the land', with Regional Commanders expected "to meet their basic logistical needs locally, rather than rely on the central supply system" (Selth 2002, 136; Callahan 2007, 46). The army also sought to establish a more comprehensive infrastructure of military control through backing a large number of local militias throughout the country, with heavy concentrations in contested borderland regions (Buchanan 2016; Meehan 2015). Thus, although the ceasefires reduced levels of outright armed conflict, ethnic minority borderland populations continued to be exposed to coercive structures of military authority and military abuses and violence – notably forced portering for the army, sexual violence, expropriation of goods (or forced purchase of goods below market prices) and arbitrary systems of local 'taxation' (KDNG 2007; KHRG 2016).

Extensive militarisation went hand-in-hand with a vast expansion in resource extraction. Since the 1990s, the country's border regions, especially those bordering China and Thailand, have become central to the country's crony-controlled economy (Woods 2018). Vast revenues have been generated from logging, mining (jade mining in Kachin State was valued at more than \$30 billion in 2014, equivalent to 48% of Myanmar's annual GDP (Global Witness 2015), energy (primarily from hydropower dams), large-scale land concessions,



expanding cross-border trade, and various illicit economies, especially drugs (heroin and methamphetamines). Borderland economic transformation has been underpinned by establishing and enforcing, often through violence, highly unequal control over land and resources. These dynamics have exacerbated the insecurities facing populations after decades of conflict and underinvestment in rural development.

These forms of borderland accumulation have played a central role in the changing political economy of the country, creating new sets of elites and generating the capital that has underpinned investments in infrastructure – roads, ports and airports – and real estate throughout the country (Meehan 2011). In some cases, large-scale development projects have created new economic and strategic connections between the country's borders, as evidenced by the oil and gas pipelines that now connect the deep-sea port of Kyaukpyu on the Bay of Bengal in Rakhine State with Kunming, China, transecting conflict zones in northern Shan State. These border connections are also mirrored in the country's illicit economies, with precursor chemicals from Bangladesh, India, China and Thailand reaching drug refineries along the China and Thai borders that then distribute heroin and methamphetamines across all of the country's borders.

As Kevin Woods' analysis (2011, 751) of the Kachin-China border area demonstrates, forms of "ceasefire capitalism" have also played an important role in reconfiguring the dynamics of armed conflict and insurgency, often creating a strong synergy between statebuilding and capitalism. The opening of an economic frontier in Myanmar's conflict-affected borderlands has channelled new investment flows into regions where state sovereignty has historically been weak. In these highly militarised regions, national and transnational corporations have looked to the state to "fix, regulate and expand capitalist spaces" and to uphold and enforce their property 'rights' (Woods 2011, 751). This has resulted in the emergence of a powerful nexus of inter-dependent military, government and private sector power, comprising military elites, local militias, Myanmar business elites, cross-border and international investors, and in some cases ethnic armed group leaders and businesses allied to them, whose political and economic interests are vested in institutionalising, rather than resisting, state control (Woods 2018).

This is not, however, to suggest an uncontested or linear process of state consolidation. Long-established economic and political cross-border networks have continued to empower groups

opposing central government. Inflows of investment and continued geopolitical interests in the country's border areas have enabled these groups to also attract external support, for example through longstanding business networks, friendships or kinship alliances, and/or by providing protection, intelligence or safe access to territories under their control. Even within the army, pressures on commanders to maintain stability locally, coupled with private business interests, have often resulted in enduring informal agreements and local alliances across supposed state/anti-state binaries.

### **Thein Sein and the USDP**

Military elites have long justified their control over the country as a necessary bulwark against internal fragmentation, domination by the country's powerful neighbours, and – following the country's parlous economic situation in the late 1980s – as necessary to strengthen the foundations of the national economy. Myanmar's post-2010 transition and the launching of an official peace process is rooted in the fact military elites believed they were in a strong enough position to manage this transition on their own terms. Extensive militarisation and weakening insurgency enabled the central government to assert greater control over long-contested borderland areas. State coffers, almost bankrupt in 1988, had been replenished in large part through the extraction of resources from borderland areas, increased cross-border trade, and the movement of commodities – especially offshore gas and oil – through former conflict-affected areas. Rapprochement with the west also offered a means to counterbalance the country's reliance upon China as protector and investor.

The Thein Sein government brokered ceasefire agreements for the first time with a number of EAOs, notably the KNU and the Restoration Council of Shan State (RCSS). However, the post-2010 political transition also coincided with the breakdown of ceasefires and renewed violence and armed conflict in other parts of the country. This has included the mass atrocities and renewed insurgency in Rakhine State, and worsening armed conflict in Kachin State, where the 17 year KIA ceasefire broke down in 2011, in the Kokang region on the China border, across much of northern Shan State. Since 2010, these areas have experienced some of the worst violence and human rights abuses in decades, internally displaced persons (IDPs) now number in the hundreds of thousands, and there have been mass movements of people across the country's borders to escape the violence.

In order to understand why parts of the country's borderlands have suffered renewed armed violence at the same time as the country's national political transition, it is important to analyse how the same culmination of political, social and economic processes that encouraged military elites to believe they were in a strong enough position to manage the country's transition simultaneously triggered renewed armed conflict. In Kachin State and northern Shan State, nearly two decades of ceasefire experiences created a deep distrust in promises of political dialogue, peace and development. Myanmar's 'transition' in 2010-11 came at a time of crisis – from the perspective of many EAOs and borderland populations – in the ceasefire system of the previous two decades (Brenner 2015; Sadan 2016). This included a *legitimacy* crisis, in which the leadership of various EAOs became tarnished by claims that they were profiting from the exploitation of the people and environments they claimed to be protecting; a crisis of *strategy*, as the hope that ceasefire agreements would pave the way for more meaningful political dialogue faded away; and a *military* crisis, as EAOs faced increasing pressure from the Myanmar army.

Under the formal peace process launched by the Thein Sein government, the prospects for peace in Myanmar's borderlands continued to be shaped by three competing pressures: the interests of powerful military elites who viewed the peace process as a mechanism through which to enforce compliance of EAOs, rather than enter into genuine political dialogue; scepticism among EAOs and borderland populations towards the rhetoric of ceasefires, political dialogue, and inclusive development that surrounds the peace process; and complex and at times conflicting cross-border pressures and alliances surrounding security and business interests.

The influence of China on the dynamics of war and peace in Myanmar's borderlands has been particularly pronounced, and epitomises the importance of understanding the transnational dimensions of Myanmar's post-2010 peace process. China's decision in the 1980s to draw down its support for the CPB and strengthen relations with the Myanmar government played an important role in underpinning the initial ceasefire agreements along much of China's borders. Weapons sales, protection in the UN Security Council, and increased investment and border trade from China were all important in strengthening military rule during the SLORC/SPDC era. Between 1988 and May 2018 China invested more than USD20 billion in Myanmar (Lwin 2018). For business and political elites in Yunnan especially, cross-border trade and investment was viewed as an essential component

of the province's development strategy. Furthermore, in 2013, China announced its Belt and Road Initiative, aimed at improving China's connectivity with Europe, Central Asia, and South Asia. The China-Myanmar Economic Corridor (CMEC) that will link Kunming to the Kyaukpyu deep-sea port in Rakhine State is an integral part of this initiative, and represents one of the largest injections of foreign direct investment in Myanmar in recent times. Both the Chinese and Myanmar governments have emphasised the importance of peace and stability along the countries' borders for the Belt and Road Initiative (Xinhua 2017).

Yet, the perceived benefits of stabilising Myanmar government control in borderland areas to provide a more secure environment for Chinese trade and investment have been counter-balanced by the continued willingness of Chinese businesses to operate informally with an array of non-government actors. The Chinese government remains wary of western influence in Myanmar's borderlands, which grew under the Thein Sein government following the country's formal transition and the easing of western sanctions, and continues to see the benefits of maintaining a buffer zone that limits Myanmar military presence along its border. The influx of refugees has also increased concerns in China about ongoing counter-insurgency offensives along its borders, especially following renewed armed conflict in the Kokang region in 2015, which saw an estimated 40-50,000 refugees enter China (DVB 2015). The reliance of border-based EAOs on maintaining support from China, and the fact that some border areas are much more closely integrated culturally, politically and economically with China, arguably makes them more pliant to Chinese interests than Myanmar military elites, which remain wary of China's influence in Myanmar. Chinese security forces and business elites have thus maintained enduring formal and informal relationships with various ethnic armed groups and elites across its borders.

In areas that have experienced renewed armed conflict, ethnic minority populations continue to be viewed as partisans to the conflict, and consequently face continued violence and systematic discrimination. They have faced the same kinds of threats and systematic abuses – land mines, forced recruitment and portering, widespread sexual violence, arbitrary taxation and expropriation and restrictions on movement – that were prevalent during previous periods of counter-insurgency. In borderland areas that came under ceasefire agreements signed during the Thein Sein period, populations have benefited from the subsequent de-escalation of outright armed conflict. However, current ceasefire experiences in many ways continue to replicate the dynamics of previous ceasefires under the previous military government. 'Peace

through development’ remains the dominant mantra towards the country’s borderlands with few opportunities emerging for meaningful political dialogue, while the opportunities for development and the subsequent benefits of peace continue to be captured by elites. For example, increased stability has been accompanied by predatory land grabs from the military, army-backed militias, EAOs and national and trans-national businesses (often allied with these various armed groups) and profound land insecurity for the majority. The 2012 ‘Vacant, Fallow and Virgin Land Law’ – an updated version of the 1991 ‘Wastelands Law’ – demonstrates the government’s continued refusal to recognise ethnic customary land tenure systems, and grants the government the right to reallocate land without official title to domestic and foreign investors. Many borderland populations remain extremely poor, vulnerable and marginalized, with the threats to their livelihoods previously posed by armed conflict being replaced by new forms of highly unequal and exploitative ceasefire development (TNI 2013).

Throughout the period of Thein Sein’s USDP government, heavy pressure was placed on EAOs to sign the Nationwide Ceasefire Agreement (NCA), while many international actors expressed frustration at their reluctance to embrace the peace process and to capitalise upon the ‘window of opportunity’ for peace. However, the rush to engage in Myanmar was based on a problematic framing of the country’s transition and the opportunities this offered for addressing the underlying drivers of violent conflict throughout the country’s borderlands. A deeper engagement with the systems of power and fragmented political structures throughout the country’s borderlands, previous ceasefire experiences, the entrenchment of military authority and the continued approach to borderland regions as sites of extraction and accumulation, all provide important starting points for understanding why there has been such scepticism amongst EAO leaders and civil society more broadly towards the rhetoric of ceasefires, political dialogue, inclusive development and empowerment that surrounds the peace process.

### **Aung San Suu Kyi and the NLD**

Aung San Suu Kyi’s landslide victory in the 2015 General Election inspired renewed hopes of finding a durable political solution to the longstanding tensions between the central state and the country’s ethnically diverse borderlands that would provide the foundations for sustainable peace. Aung San Suu Kyi’s universal appeal and a widespread sense that a powerful national movement was needed to address deeply entrenched military authority and

initiate deep-seated reforms enabled the NLD to win support throughout the country. The NLD's pledge to reform the country's military-drafted constitution, Aung San Suu Kyi's emphasis upon making peace and reconciliation her government's top priority, and her decision to launch a series of Union Peace Conferences to provide a forum for more substantial political dialogue regarding issues of federalism, revenue-sharing and the future status of EAOs, all appeared to rejuvenate the peace process and provide a platform for addressing deep-seated grievances experienced by the country's borderland populations.

However, the shocking violence mobilised by the army and police against the Rohingya population in Rakhine State in 2016/7 (see **Chapter X in this book**) and intensified counter-insurgency campaigns in Kachin State and northern Shan State have seen some of the worst instances of bloodshed in borderland regions in decades. The peace process has stalled and the NLD government has failed to address the continued forms of marginalisation, discrimination and growing inequality and disparity that shape everyday lives across Myanmar and which are particularly pronounced in the country's borderlands. A number of factors are important in explaining this. Firstly, the military remains the *de facto* authority throughout the country's borderlands, with the 2008 Constitution – which the NLD has been unable to change – enshrining military control over the key ministries of Defence, Home Affairs and Border Affairs. The military continues to view the peace process as secondary to its priorities of securing, pacifying and controlling contested territories as part of long-standing efforts to consolidate state authority. Furthermore, since the NLD came to power the emergence of parallel civilian and military structures have complicated borderland power structures as formal institutions have been layered upon longstanding informal systems of communication and governance. Under the Thein Sein government, it was often easier for EAOs to communicate with the Myanmar Army in order to address localised outbreaks of conflict and ceasefire infringements. Under the current system, the Army has become less responsive – often claiming to be acting in the interests of the democratic government – creating huge challenges regarding how to access key decision-makers.

Secondly, the NLD government has continued to advocate many of the same approaches towards borderland regions as its predecessors, repeating calls for peace through development with limited acknowledgement of the highly unequal power structures that underpin resource extraction and development and the grievances of local populations. Within the peace process the NLD has continued to pressure armed groups to sign the NCA amidst a peace process

underpinned by continued efforts at assimilation on the government's terms, rather than creating meaningful opportunities for political dialogue.

Thirdly, the NLD has proved powerless to address many of the grievances facing borderland populations, notably land insecurity, drugs, violence and the destruction created by various forms of extraction and development (such as deforestation, mining and dam-building). The difficulties in addressing these grievances is not only rooted in the lack of technical or bureaucratic capacity and resources; it is also a result of the fact that attempting to address these issues threatens to undermine existing borderland power structures and destabilise the fragile governance structures that have emerged between different borderland actors in regions of highly fragmented sovereignty. For example, in the Myanmar-China border town of Muse, through which approximately 70% of border trade with China passes, drug use is prevalent, army-backed militias operate freely and an array of illicit activities – including casinos, brothels and contraband – thrive (Htoon 2018). These activities have become deeply embedded in the mechanisms through which the Myanmar Army has sought to stabilise and extend control over contested borderland regions over the previous decades. Army-backed militias, for example, have played important roles as counter-insurgency forces, as well as providing local security around major development sites. In return, many have gained lucrative business opportunities – including in the drug economy and in border towns as a way to maintain their loyalty and enable them to be self-financing (Meehan 2015). Many militias have also established business ties with investors across the border in China, creating powerful cross-border incentives to uphold rather than challenge the status quo in places such as Muse. These kinds of pragmatic localised deals between different borderland groups have had a huge adverse impact on local populations – experienced through high levels of drug addiction, gambling-related debt and continued insecurity – but have generated significant wealth and power for a narrow clique of political, business and military elites. Gains have been privatised and the risks socialised, creating a system in which the challenges facing borderland populations in places such as Muse are deeply rooted in the very foundations of borderland governance structures that emerged during the ceasefire period.

## **Conclusion**

The state's efforts to assert authority across the country's borderlands – often through violence and coercion – and the multiple forms of resistance and negotiation these strategies have elicited from an array of armed actors, pursuing their own forms of sovereignty and

territorial control, are central to Myanmar's post-colonial history. Although remote from the centres of formal political power in Yangon and Naypyidaw, the dynamics of Myanmar's contested borderlands have played an integral role in shaping the formation of the Myanmar state and the national economy. Borderland armed conflicts paved the way for the expansion of the country's military and the justification by military elites of the institutionalisation of military authority. Resource extraction, cross-border trade (both legal and illegal) and large-scale development initiatives centred in the country's borderlands have been fundamental to the country's national economy, especially over the past three decades, generating vast revenues for the central government, creating new sets of elites, and providing much of the capital that has been invested in the country's infrastructure and real estate. Indeed, since the late 1980s, it has been in the country's borderlands that the Myanmar government proved most willing to first experiment with abandoning the strict state regulation of the economy practiced under General Ne Win, to embrace private investment, and to experiment with new forms of neoliberal development. Indeed, far from being marginal, the country's borderlands have been important laboratories of political and economic change.

However, the political and economic transformation of the country's borderlands since the late 1980s has been underpinned by forms of continued violence and local bargains struck between government, EAOs, local militias and business elites, rather than durable political solutions to the country's longstanding issues surrounding the distribution of power between centre and borderlands. The ability and motivation of the NLD government to understand and address these challenges and to provide effective responses to the insecurities facing borderland populations remains extremely constrained. These difficult realities reveal the need to better understand the kinds of power structures that have materialised in the country's borderlands and the challenges these structures pose to achieving the kind of peace and development needed to address the grievances facing borderland populations.



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