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Myanmar's Peace Process

The Importance of Federal Reforms and an Inclusive National Dialogue

Jasmin Lorch and Kristina Roepstorff

Ethnic conflicts and anti-Muslim unrest present the biggest obstacles to the process of democratisation and economic development in Myanmar launched by the Thein Sein government in 2011. An analysis of current political developments in the country shows that Germany and the EU currently have two main options for supporting the reconciliation process between the government and the country's ethnic and religious minorities: to provide assistance for the introduction of federal structures on the one hand and to encourage a national political dialogue on the other. Both approaches should go hand in hand since the ethnic and religious conflicts are so complex that the introduction of a federal system alone will not be sufficient to sustain lasting peace in Myanmar. Rather, federal constitutional reforms must be embedded in an open National Dialogue designed to bring all the political, ethnic and religious conflict parties to the negotiating table. Thereby, Germany and the EU should also be willing to exert diplomatic pressure on the government in the event that, instead of conducting an inclusive dialogue, it tries to put on a kind of show aimed at consolidating the dominance of the Burman majority and the still largely authoritarian system.

The process of national reconciliation between the Myanmar government and the country's ethnic and religious minorities has reached a critical juncture. At the end of May 2013 the Kachin Independence Organisation (KIO) and the government concluded a preliminary peace agreement. The KIO is one of the eleven largest and – in military terms – strongest rebel groups. Since the political opening of the country the government has already signed formal ceasefire agreements with the other ten major armed ethnic groups.

Despite these ceasefires fighting has continued in several minority areas. In early July 2013 tensions heightened between government forces and the United Wa State Army (UWSA) in southern Shan State. Government forces surrounded UWSA units and vice versa. With around 20,000 soldiers and some 10,000 militias the UWSA, which has officially concluded a ceasefire with the government, is militarily the most powerful of the many armed minority groups in Myanmar.

Bloody attacks by the Buddhist majority on the Muslim minority, which makes up only around 4 percent of the population, likewise testify to the enormous potential for violence that the ethnic and religious conflicts continue to harbour. According to press reports, at least 200 people have been killed since June 2012, most of them Muslims. By the end of June 2013 more than 125,000 people had been internally displaced as a result of the violence.

The continuing ethnic conflicts and countrywide anti-Muslim unrest present the greatest obstacles to the processes of democratisation and economic development in Myanmar. They also constitute a considerable security risk for the region at large. For many years now large numbers of refugees have been pouring into neighbouring countries, particularly Thailand and India, as well as the already politically unstable Bangladesh. In the wake of the anti-Muslim violence in Myanmar hostilities between Buddhists and Muslims have intensified in several countries in the region.

Political Reforms, Ethnic and Religious Conflicts and the Peace Process

Myanmar is one of the world's most heterogeneous countries in ethnic and religious terms with more than 130 different ethno-linguistic groups. The CIA World Fact Book estimates the country's current population at around 55 million, of which the majority Buddhist Burmans make up about two thirds, the rest belonging to various ethnic minorities. According to the Integrated Regional Information Networks (IRIN) of the UN Office for the Coordination of Humanitarian Affairs (OCHA), the Shan (9%) and the Karen (7%) are the largest minority groups, followed by the Rakhine (3.5%), the Chin (2.5%), the Mon (2%) and the Kachin (1.5%).

Shortly prior to Burma's independence in 1948, various minority groups agreed at the Panglong Conference in 1947 to the

founding of the union of Burma – on the condition that they were granted far-reaching autonomy. However, since the government in Yangon soon thereafter began to pursue an intensified policy of centralisation, ethnic rebel groups began to form in the 1950s and 1960s. To this day a number of minority groups are fighting for more self-determination in the mountainous border regions of the country. Some of them, such as the KIO and the UWSA, have succeeded in bringing large swathes of territory under their control, establishing parallel state structures. According to local press reports, armies from minority groups across Myanmar have a total of around 100,000 fighters.

Most of the minority areas are extremely poor and economically underdeveloped. At the same time many of these regions have an abundance of natural raw resources such as teak and precious stones. In many ethnic areas war economies have developed that make a settlement of the conflicts even more difficult. Drug cartels, which often have alliances both with the armed minority groups and with the government, benefit from the lack of stable state structures.

Ceasefire agreements concluded between the former military government and several ethnic rebel groups in the 1990s were unable to put a permanent end to the conflicts. The main reason for this is that these agreements were not peace treaties but usually agreements of a purely military nature reached between the military intelligence service of the regime and individual commanders of ethnic groups. Political negotiations over autonomy rights for ethnic groups and rights to use resources in the minority areas were not conducted.

The resentment of the Buddhist majority towards the Muslim minority can also be traced back to the period of the military dictatorship. The military government of Ne Win that was established following the military coup of 1962 deliberately harnessed anti-Muslim sentiment as part of its strategy of "divide and rule". In the 1970s and 1990s pogroms had already been carried out

against members of the Rohingya, a Muslim ethnic minority.

The government of Thein Sein which came to power in March 2011 initiated reforms designed to make the system less autocratic: a National Human Rights Commission was set up, political prisoners were released, and freedom of the press was expanded. Apart from this the government also launched a new peace initiative vis-à-vis the country's ethnic minorities. For the first time special institutions were created to advance the peace process, including the Union Peace-making Central Committee and the Union Peace-making Work Committee. Additionally, negotiations were started with several rebel groups.

The latter were able to take the first successful steps towards creating a forum to represent their common interests in the peace negotiations. In February 2011 twelve minority parties joined forces to create the United Nationalities Federal Council (UNFC), which includes politically and militarily important groups such as the KIO, the Karen National Union (KNU) and the New Mon State Party (NMSP). Some of them are also active in the Working Group for Ethnic Coordination (WGEC).

Since taking office the government has concluded formal ceasefire agreements with ten of the country's largest rebel groups. At the same time, however, the army conducted several military offensives against the KIO between June 2011 and February 2013, thus breaking a ceasefire that had lasted for seventeen years. Human rights violations by the military prompted worldwide criticism. As part of its new peace initiative the government is now for the first time promising the minorities political negotiations.

International Support for the Peace Process

In order to drive the reform process forward both Germany and the EU have pledged extensive aid to Myanmar. Since July 2012 Germany has approved around

12.5 million euros within the framework of "sustainable economic development" programmes. In addition projects run by the UN and various NGOs receive 9 million euros of funding annually. Several German political foundations promote reforms towards federalism, for example through cooperation with individual regional parliaments or with education programs for parliamentarians.

The EU has approved aid worth a total of 150 million euros for 2012 and 2013. For the current funding year, 2013, around 30 million euros have been earmarked for the peace process. Within the framework of its support for the peace process, the EU particularly seeks to strengthen the Myanmar Peace Center (MPC), established in November 2012 with 700,000 euros in financial support from the EU's Instrument for Stability. To date the EU is one of the largest donors to the Center. Statements by the European Commission and its President José Manuel Barroso indicate that the EU has great hopes that the MPC will offer an inclusive and impartial dialogue platform for all actors involved in the peace process. At the same time it should not be forgotten that the Center was established by a Presidential Decree issued by Thein Sein. One of the MPC's main tasks is to help the government's Union Peace-making Central Committee and Union Peace-making Work Committee to organise the peace process. Currently the Center is serving in many respects as a kind of secretariat for Minister Aung Min, one of the government's chief negotiators in the peace process with the ethnic minorities.

Simultaneously the EU is also working with various political parties, ceasefire groups and local NGOs. For example, the EU and some of its member states provide funding for the Euro-Burma Office (EBO) in Brussels, which is currently trying to strengthen the negotiating capacity of the ethnic minorities involved in the peace process. One way the EBO is doing this is to lend support to the WGEC, which has contributed to the formulation of a framework

for a political dialogue between the ethnic minorities and the government. In addition, the EU is providing humanitarian aid in conflict regions. In 2012 it provided 5 million euros for aid projects in Kachin State and 8 million euros in emergency aid for Rakhine State.

Given the current political developments in Myanmar, Germany and the EU presently have two main options for furthering the peace process: one is to assist Myanmar in introducing federal constitutional reforms; the other is to encourage and support a National Dialogue.

Federalism: Chances and Obstacles

The establishment of a federal system is an important precondition for the long-term stability of Myanmar. The repressed ethnic minorities, some of whom have powerful armies, have been particularly adamant in demanding a federal restructuring of the state. This is all the more important as for many ethnic parties a federal state actually already constitutes a compromise, having fought for decades to achieve independent statehood. Today most of them have declared themselves willing to remain part of the state of Myanmar, but only if their rights to cultural, economic and political autonomy are guaranteed.

What exactly a federal system in Myanmar should look like in practice is still an open question. A primary issue is whether federal arrangements should run along ethnic or non-ethnic lines. While the ethnic variant generally dominates current discussions about Myanmar, dividing up the country into ethnic federal states might actually create a new minority problem, since most of the areas controlled by armed ethnic groups are also inhabited by other, not insignificant ethnic minorities. A federal system that would increase the dominance of local ethnic majorities over local ethnic minorities might well aggravate existing intra-regional ethnic tensions. One alternative would be a federal state not organised along ethnic dividing lines. The

advantage of such a non-ethnic federalism would be that it could reduce the power of the Burman-dominated central government while, at the same time, counteracting a massive intensification of regional ethnic identities.

Another point to be clarified is whether all the federal states should have the same rights and obligations (symmetrical federalism) or whether the different states should have different fiscal and political rights and obligations (asymmetrical federalism). The latter variant would have the advantage of enabling the government in its negotiations with individual rebel groups to negotiate autonomy agreements tailored to the region in question. Myanmar's neighbour India, for example, has used an asymmetrical form of federalism to meet the demands for self-determination of regions like Kashmir and Northeast India.

The constitution currently in force in Myanmar, which dates from 2008, stipulates a largely centralist unitary state. While it does divide Myanmar into seven *regions* in the Burman heartland and seven *ethnic states*, each with its own regional parliament, this does not constitute true self-governance since the head of the local executive in all these regions and states is appointed by the president, and the regional parliaments have no right to oppose these appointments. Changing the structure of Myanmar into that of a federal state would require changing the constitution, but this could only be achieved via a three-quarters majority in a parliament in which a quarter of all seats are held by members of the military.

Nevertheless, federal constitutional reforms seem more likely now than they did a few years ago. Ministers of the Thein Sein government and high-ranking members of parliament (MPs) from the ruling Union Solidarity and Development Party (USDP), which consists largely of former members of the military, have begun to openly discuss federal structures as a solution to the country's ethnic conflicts. Even the powerful Speaker of the Lower House,

Thura Shwe Mann, who according to press reports plans to stand for president in 2015, recently indicated that he was open-minded with regards to the establishment of a federal system. In March 2013 the USDP proposed to parliament that a committee for changing the constitution of 2008 be set up. Since July 2013 the parties represented in parliament have been able to nominate representatives for the committee. The USDP's initiative does not, however, signify that the ruling party unanimously supports the introduction of a federal system. At a party congress held at the end of June 2013 USDP members failed to reach a common position on the issues of federalism and constitutional reforms.

In addition, the interests of the Thein Sein government and the USDP do not always concur with those of the military, even though both are mostly made up by representatives of the old regime. Some USDP MPs suspect that the military will not make any major concessions towards federal reforms before the elections scheduled for 2015. Traditionally the military has sought to derive its internal legitimacy by portraying itself as the sole guarantor of national unity and national sovereignty. Demands for federalism were thus equated with secessionist aspirations. Federal reforms not based on a broad consensus among the elite might thus prompt the military to block the current reform process or even to stage another coup.

The National League for Democracy's (NLD – the country's most important opposition party) position on federalism had remained rather unclear for a long time. However, in June 2013 its chairwoman, Aung San Suu Kyi, publicly signalled her support for the introduction of federal structures. At a meeting with representatives of five ethnic parties close to the NLD, she voiced her support for constitutional reforms introducing federal structures but expressed scepticism about whether such reforms could be realised in the near future. If the elections of 2015 are free and fair, then it is to be expected that

the NLD will lead or at least be part of the government in the next legislative period. The party's position on federalism will thus be of major significance for the country's future.

National Dialogue: Chances and Risks

Despite its advantages, a federal system is not a panacea for the complex ethnic and religious conflicts in Myanmar. It would not, for instance, solve the conflict between the Buddhist majority and the Muslim minority that began in Rakhine State and has since assumed national dimensions. In June and October 2012, Buddhists in Rakhine State perpetrated massive acts of violence against Muslims. These were directed mainly, but by no means exclusively, at members of the Rohingya ethnic minority. Since March 2013, and possibly before that, there have been repeated bloody attacks against Muslims of various ethnicities in the Burman heartland and in other parts of the country. In March 2013 a large number of mosques and Muslim houses were destroyed in Meiktila in the Mandalay Region. In addition, both of the country's largest cities, Yangon and Mandalay, have seen repeated acts of violence against Muslims in recent months.

In order to settle the many ethnic and religious conflicts and to answer still open questions, such as how federalism could look in practice, an inclusive political dialogue is essential. Such a dialogue should involve the government, the political opposition, the various ethnic and religious minorities and local civil society groups. A helpful instrument to this end could be a National Dialogue, which is often used in situations of political transition. A National Dialogue can, for example, take the form of a national conference in which ideally all the relevant interest groups of a state would participate and present their ideas for the country's political future. One current example of a National Dialogue, with all the chances and risks it involves, is the

National Dialogue Conference in Yemen which is supported among others by the United Nations, the EU and individual EU member-states.

Efforts are currently being undertaken to initiate a national dialogue process in Myanmar as well. Since at least February 2013 the UNFC, currently the most important umbrella organisation of the ethnic minorities has held several rounds of negotiations with the government concerning the framework for a political dialogue. In May 2013, representatives of the ethnic minorities presented a draft Framework Agreement for a national political dialogue to Minister Aung Min and the MPC. The agreement had been drafted mainly by representatives of the WGEC and the UNFC. One of the central demands of the minority representatives is the establishment of a National Dialogue Conference and a National Dialogue Steering Committee. The draft of May 2013 also stipulates that a total of 900 representatives from the government, the political parties and the ethnic rebel groups should participate in the envisaged national dialogue process. During its ceasefire negotiations with the government the KIO had likewise demanded that a national conference involving all ethnic groups take place.

As early as the end of 2011 President Thein Sein had announced a second “Pang-long”, a reference to the historic dialogue conducted between the Burman political leadership around General Aung San and several ethnic minority groups prior to independence in 1948. At the end of June 2013 the government announced its intention to hold a national peace conference that would include all ethnic groups. Minister Aung Min declared that the government was planning to negotiate a nationwide ceasefire with all of the country’s rebel groups and subsequently entrust parliament with organising a political dialogue. According to reports, the MPC is also working on a framework for a comprehensive dialogue between the government and the ethnic minorities. Initially the government

had indicated that the national conference was planned to begin in July 2013, however it has been delayed.

If it were to include all politically relevant minority parties, a National Dialogue could help to integrate the peace negotiations the government has so far been conducting separately with each of the various ceasefire groups and also to link these negotiations to the process of constitutional reform currently in discussion. By contrast, the ceasefires that the government had negotiated with individual ethnic parties during the 1990s were repeatedly criticised as being part of a “divide and rule” strategy. The military regime of the time refused to enter into negotiations with any ethnic coalitions or umbrella organisations. At the same time, the military used the capacities freed up by the ceasefires to crack down even more harshly on those rebel groups that were still fighting the regime.

A truly inclusive National Dialogue would also have the advantage of involving those minorities not represented by the major armed ethnic groups. Given the intensification of the conflict between Buddhists and Muslims in many parts of country, it would seem to be a matter of urgency to involve the Muslim minority in the peace process.

At the same time, a National Dialogue also entails many risks. Examples abound of authoritarian states creating forums for national dialogue in order to co-opt opposition forces and legitimise their own power. This risk also exists in Myanmar, where veto players in the military have a major interest in sabotaging the introduction of federal structures and the peace process as a whole. For this reason, the involvement of all relevant conflict parties is an important precondition for the success of a National Dialogue in Myanmar. In addition, all ethnic and religious minority groups participating in a potential national dialogue conference must be allowed to have their fair say and the resolutions reached by such a conference should be binding. In fact a National Dialogue was

already held in Myanmar several years ago, but this was mostly a political sham. When the “National Convention” drew up the controversial constitution of 2008, important minority parties were excluded from the assembly, and the military dominated the decision-making process.

As of now it is still uncertain which political, ethnic and religious groups the government is willing to involve in the planned national dialogue process. Some minority representatives even doubt that the government is now truly willing to conduct a substantial political dialogue with the ethnic minorities and suspect that its real motive for holding a national conference is merely to achieve a nationwide ceasefire.

In early July 2013 Lower House Speaker Thura Shwe Mann complained publicly that parliament was not sufficiently involved in the peace process. This suggests that the forthcoming National Dialogue might become a political football in the power struggle between Thura Shwe Mann and President Thein Sein.

A National Dialogue could also fail if militarily powerful ethnic minority parties refuse to participate, for instance because they profit from the existing war economies in their areas. Apart from this, there are also rifts within the ethnic opposition that may reduce the negotiating power of the ethnic groups vis-à-vis the government. Conflicts between the UNFC and other ethnic groups, for instance, could reduce the chances of the envisaged dialogue process being successful.

Another factor likely to hamper the chances of a successful National Dialogue is that the Thein Sein government evidently lacks the political will to take decisive action against anti-Muslim forces in the Buddhist majority society. Several Buddhist monks are seen as being chiefly responsible for an increasing radicalisation among the Buddhist majority population. Particularly representatives of the radical “969” movement led by the monk Wirathu have actively encouraged the latest anti-Muslim vio-

lence through inflammatory speeches and calls to boycott Muslim businesses. In a public statement the office of President Thein Sein called “969” a symbol of peace and Wirathu “a son of Lord Buddha”.

Recommendations

In order to promote a sustainable peace process the EU and Germany should support an inclusive political dialogue in Myanmar. Providing assistance for such a national dialogue process would also concur with the EU’s foreign policy goal of expanding its mediation capacities for conflict prevention and peace promotion.

A main objective of such a political dialogue process should be to facilitate a constructive exchange on the introduction of a federal system and its concrete form. A National Dialogue should involve the government, the political opposition, the military, the various ethnic and religious minorities and representatives of Myanmar’s civil society.

Here external actors like Germany and the EU can fulfil an important intermediary and observer function. For instance, they should monitor closely which political, ethnic and religious groups are included in the dialogue process and which are excluded and, where necessary, raise this as a critical issue with the Myanmar government. Thereby Germany and the EU should be aware that some parts of the military do in fact have an interest in staging a political show rather than organizing a truly inclusive dialogue – a show that would have little to do with national reconciliation and could instead be designed to legitimise the still largely authoritarian regime and exclude politically and militarily important minority groups from the peace negotiations. Further divisions within the ethnic opposition might also strengthen veto players in the military and the government seeking to instrumentalize the national dialogue process to their own advantage.

To further a comprehensive and sustainable peace process, the EU and Germany

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should also urge that the religious conflict between Buddhists and Muslims be addressed.

The MPC, which is receiving major financial and political support from the EU, is working with a team of recognised international and local experts. While by supporting the Center the EU can help the Myanmar government to organise the peace process and to develop a better understanding of the concerns of the minorities, the MPC still does not constitute a completely independent and neutral platform for a National Dialogue. The EU and Germany should therefore step up their existing efforts to bolster the negotiating capacity of the ethnic and religious minorities alongside the institutional capacity of the government. The EU in particular already has contacts with important ethnic actors in the peace process. These links should be expanded and strengthened.

In order to facilitate greater inclusion and coherence in the peace process the EU could also consider coordinating its current support with mediation activities of ASEAN. The EU's and ASEAN's engagement in the Aceh conflict has shown that such a joint approach can be remarkably successful.

In addition Germany and the EU should expand their humanitarian and development engagement in the ethnic minority areas. Since war economies based on the exploitation of natural resources exist in most of these areas major development initiatives such as infrastructure projects may however hold great potential for conflict. For this reason, in providing aid to the minority areas, Germany and the EU should always be guided by the principle of "do no harm". Investment and foreign trade policy should also be subject to this development principle.

At the same time, German and EU policy should be flexible enough to be able to respond appropriately to shifts in the political power constellation after the 2015 elections. For the peace process to be successful in the long run, it will be decisive whether Myanmar is governed by the NLD or the

USDP after the 2015 elections, which forces gain the upper hand within the USDP and what position the NLD adopts on issues such as federalism and the protection of ethnic and religious minorities.