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ISBN: 978-1-4422-2845-0 (pb); 978-1-4422-2846-7 (eBook)
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<td>AFP</td>
<td>Agence France-Presse</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asia Nations</td>
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<td>DVB</td>
<td>Democratic Voice of Burma</td>
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<tr>
<td>HIV/AIDS</td>
<td>human immunodeficiency virus/acquired immunodeficiency syndrome</td>
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<td>ICG</td>
<td>International Crisis Group</td>
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<tr>
<td>IGE</td>
<td>Institute for Global Engagement</td>
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<td>IMET</td>
<td>International Military Education and Training</td>
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<td>IRIN</td>
<td>Integrated Regional Information Networks</td>
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<tr>
<td>KIA</td>
<td>Kachin Independence Army</td>
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<td>KIO</td>
<td>Kachin Independence Organization</td>
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<td>NGO</td>
<td>nongovernmental organization</td>
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<td>MPC</td>
<td>Myanmar Peace Center</td>
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<td>NDF</td>
<td>National Democratic Force</td>
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<td>NLD</td>
<td>National League for Democracy</td>
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<td>OIC</td>
<td>Organization of Islamic Cooperation</td>
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<td>UN</td>
<td>United Nations</td>
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<td>USAID</td>
<td>U.S. Agency for International Development</td>
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<td>USDP</td>
<td>Union Solidarity and Development Party</td>
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Executive Summary

Myanmar has made important progress toward democratic reform since President Thein Sein's civilian government came to power in early 2011. Significant challenges, however, remain and could scuttle efforts at change. Key among these are the peace process between the government and armed ethnic groups in the border regions; communal tensions in Rakhine state bordering Bangladesh and in central Myanmar; and the free and fair conduct of the 2015 general election, which could also impact the peace process and communal relations.

Some in Congress are skeptical about U.S. policy in Myanmar, but engagement with the country is important for securing U.S. interests. These are, in order of importance, security, democracy and human rights, and prosperity. While often mutually reinforcing, these interests may sometimes come into conflict, suggesting potential trade-offs, at least if an issue is not handled with sensitivity.

The perception among those involved in the peace process is that the United States is doing a good, even “excellent,” job at promoting democracy in Myanmar. Its support of the peace process, however, is dismissed as mere “lip service.”

In contrast to the desire for greater U.S. support for the peace process, there is across-the-board sensitivity to U.S. and western handling of the Rohingya issue and what is perceived as criticism of Buddhism. The Burman-majority government is caught between a rock and a hard place. Even if it had the political will to help the Rohingya (there appears to be little with the 2015 election looming), it would have difficulty persuading the Rakhine and the broader populace to accept this—the Rakhine are said to hate the Burmans almost as much as they despise the Rohingya. The Rakhine, for their part, face the twin pressures of perceived “Islamization” and “Burmanization,” and feel particularly aggrieved by what they consider the international community’s favorable treatment of the Rohingya.

Anti-Muslim sentiment has been present in Myanmar for decades. Reasons for this are complex, but the main ones are that Muslims are considered to be too populous, too rich, and too different. The last factor highlights how differences take on heightened salience when a group is regarded as alien and threatening. As Myanmar goes through a historic transition with no clear winners and losers, the fear that Muslims are encroaching on the land of the golden pagodas helps to account for the rise of Buddhist nationalism and conflict.
One danger that has largely been overlooked is the possibility of conflict spreading to other communities in Myanmar as stakes get higher. Many of the factors cited for anti-Muslim sentiment could apply to other groups. The Chinese are estimated to control 60 percent of Myanmar’s economy. The weak appetite for recognizing the Rohingya community stems partly from a fear that this will pave the way for the Chinese and Indians to lay similar claims for recognition of their respective communities as Myanmar “nationals.”

The situation is also potentially volatile in the case of the Christian community in Myanmar, though anti-Christian sentiment is nowhere near the level of hatred of the Muslim community. Christians have been the target of hate speech and small-scale attacks. Buddhist leaders have sought to explain if not justify these acts on the basis of an alleged rise in Christian extremism.

The Myanmar government must as an urgent priority work to reduce negative perceptions of non-Burman and non-Buddhist groups, while in the longer run foster widespread buy-in for the idea of a Myanmar nation that has an unequivocal place for its minority communities, including the Rohingya. The focus in this respect must not only be on protecting the place of minorities in the nation, but also on assuaging fears and insecurities among the Burman-Buddhist majority who also suffered under years of authoritarian rule.

As the 2015 election approaches, the Myanmar government’s will and energy to undertake unpopular policies are likely to wane. The election could also complicate the peace process and exacerbate communal tensions, which could in turn undermine democratic developments.

Between now and late 2015, when the general election is expected to take place, the United States must seize the opportunity to help consolidate positive changes in Myanmar. This window is particularly crucial because it is unclear how the election outcome will impact U.S. influence in the country.

The United States can support the peace process and help the Myanmar government reduce communal tensions in the following ways:

1. Offer greater monetary and technical support for the peace process.
2. Help create a peace dividend in the ethnic states while urging a political settlement.
3. Promote increased military-to-military engagement to help sustain the peace process and broader democratic reform.
4. Engage behind the scenes on Rakhine state.
5. Promote civil society organizations in the ethnic states, particularly organizations whose goals cut across ethnic (racial and religious) divides.
6. Support expansive interfaith dialogue and work with the Myanmar government to support ground-up initiatives to promote interethnic harmony.
Changes in Myanmar will not happen overnight, but appropriate international support could shorten the journey toward a stable democracy. The United States has interests and an important role to play in promoting peace in Myanmar.
Promoting Peace in Myanmar
U.S. Interests and Role
Lynn Kuok

At this moment, people are pro-American, expecting money and Hollywood culture. Once they get in touch with American arrogance, that will change.

Like it or not the Chinese are coming—the Chinese are practical about their interests in Burma. Burma is important for both China and America. If the United States doesn’t want Burma to become a satellite [of China], it has to take leadership of the Myanmar Peace Center. Currently, the United States is paying “lip service” to the peace process.

These were some of the comments made by individuals interviewed on a short research trip to Myanmar. The anti-American sentiment expressed in the first statement was by no means representative—the United States still commands the respect and admiration of the vast majority of the Myanmar people. Many would welcome a greater U.S. presence in the country. Taken together, however, the comments highlight the opportunities and challenges the United States faces in securing its interests in Myanmar and the broader region.

This report highlights U.S. interests in Myanmar and examines perspectives of American involvement there. It then focuses on three areas that have important implications for Myanmar’s future: the peace process between the government and ethnic armed groups in the border regions; communal tensions in Rakhine state bordering Bangladesh and in central Myanmar; and the 2015 general election, which can impact peace and conflict outcomes in Myanmar. The report concludes with some recommendations.

1. For a list of people I spoke to on this trip (June 24–28, 2013) to Myanmar as well as on other occasions, please see the Appendix. I thank the many people who gave generously of their time to share their insights. Given the sensitivity of the issues examined, I have chosen not to individually credit views and have excluded from the list those who specifically requested that I not mention their names. Individual accreditation is provided for reports and other published works, as well as in cases where views were shared in a public forum or academic setting, or where they are clearly not prejudicial. I am grateful to the Sumitro Chair for Southeast Asia Studies at the Center for Strategic and International Studies (CSIS) and to the Ash Center for Democratic Governance and Innovation at Harvard University’s Harvard Kennedy School for the opportunity to conduct this research. I also thank Murray Hiebert, Phuong Nguyen, and Greg Poling of CSIS for their edits and comments on this report.
There is a window of opportunity for the United States to help consolidate positive changes in Myanmar and facilitate the country’s goals to usher in democracy and prosperity for its 60 million people. This opportunity needs to be grasped quickly and decisively, not least because the election in late 2015 will mean that short-term political imperatives will increasingly dictate developments. It is also not clear how U.S. influence in Myanmar will be impacted by the outcome of the election.

**U.S. National Interests in Myanmar: Security, Values, and Prosperity**

In order of importance, U.S. interests in Myanmar relate to security, democracy and human rights, and the economy. These interests are often mutually reinforcing. A democratic Myanmar will positively impact peace and stability in Southeast Asia and the broader Asia-Pacific region.

In some instances, however, these interests may come into conflict. Much of the anger directed at the United States stems from western insistence on the rights of the Rohingya, a community that Myanmar people across all walks of life insist are illegal migrants from Bangladesh. This suggests a potential trade-off between security- and value-related interests, at least if an issue is not handled with sensitivity.

**SECURITY**

Myanmar is located between two of Asia’s behemoths, China and India, and is of geostrategic importance to both countries as well as to the Association of Southeast Asian Nations (ASEAN) and its member states. China, in particular, has been consistent about expanding its influence in Myanmar. During decades of western sanctions, China moved swiftly to become Myanmar’s main diplomatic and military ally, as well as its source of financial assistance and economic expertise. When Myanmar was anxious to put on a good show for the recent Southeast Asian Games, Beijing stepped in to assist, reportedly giving the country nearly $33 million in technical assistance and accepting athletes from Myanmar for training on Chinese soil.

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4. India was never able to match China’s influence in the country as the world’s largest democracy agonized over whether and how it should engage with Myanmar’s military regime. For a discussion on India’s policy toward Myanmar, see Gareth Price, “India’s Policy Towards Burma,” Asia ASP 2013/02, Chatham House, June 2013, http://www.chathamhouse.org/sites/default/files/public/Research/Asia/0613pp_indiaburma.pdf.


Three prongs have been identified in China’s approach toward Myanmar: first, a focus on the stability of neighboring states primarily to avoid instability along China’s borders; second, the development of energy security; and third, addressing nontraditional security concerns such as the spread of human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), the trafficking of drugs and people, and other illicit industries. The oil and gas pipelines running from Myanmar’s Rakhine state, through territory controlled by ethnic minority groups, to China have heightened China’s interests in Myanmar’s stability. To this list of Chinese interests, one could also add circumventing what China sees as U.S. efforts to contain it.

Myanmar’s strategic importance is heightened by its 2014 chairmanship of ASEAN. This position will allow it to impact the outcome of ASEAN meetings and the handling of issues like the South China Sea disputes since the responsibility for drafting post-meeting declarations is entrusted to the chair. China and four of the ten ASEAN member states, including the Philippines with whom the United States has a mutual defense treaty, have competing claims in the South China Sea, making it a volatile flashpoint.

Myanmar’s military links with North Korea, which could potentially destabilize the region, are also of considerable concern. President Thein Sein assured President Barack Obama in November 2012 that such ties would cease and that the country would not violate United Nations (UN) Security Council resolutions banning arms sales from North Korea. Such links, however, reportedly continue and were implicit in the April 2013 testimony of a senior official from the U.S. State Department revealing that Washington continues to ask Naypyidaw to demonstrate “concrete progress” in achieving an end to military ties with North Korea.

VALUES

The democratization of Myanmar has been an important policy objective for all recent U.S. administrations. Current sanctions were enacted primarily because of what the United

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States saw as the former ruling military junta’s disregard for the human rights and civil liberties of the people.¹⁴

Without proper support from the outside, analysts say reforms in Myanmar could be side-tracked¹⁵ or the country could “slide[...] back to the dark age of military rule.”¹⁶ Myanmar expert David Steinberg thinks that a reversion to military rule is unlikely because any attempt to do so would provoke a people’s revolution.¹⁷ Analysts like Min Zin and others, however, are less sanguine. Min Zin describes a worsening situation as “communal riots, deepening poverty, ongoing civil strife, and the rivalries of political elites ravage the country.” He says that two senior ruling party insiders told him that another coup could well be a last resort if the nation slides into chaos.¹⁸ A source who studies the Myanmar military described its mentality as follows: while civilians take one step after another, the military is cautious; it tests the ground several times after each step before determining if it is safe to proceed. Although the military has thus far allowed political and economic reforms,¹⁹ this could change if it considers the country’s stability to be at stake.

PROSPERITY

Many investors are touting Myanmar as the “final frontier.” The country, rich in gems, timber, minerals, oil, and offshore natural gas reserves, has significant untapped potential. It also offers U.S. companies a market that, in numbers at least, is larger than that of South Korea and almost triple that of Australia,²⁰ though not without considerable investment risks.

Perspectives on U.S. Involvement in Myanmar: Too Little and Too Much

_The U.S. embassy did an excellent job of supporting the transition. But it faces a Washington block in respect of the peace process. It can’t take substantial steps to making a difference in the peace process._

_Every country has nationalism. They have to be sensitive [about the Rohingya/“Bengali” issue]._

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¹⁷. Steinberg, interview.
¹⁸. Min Zin, “Why it Makes Sense to Engage with Burma’s Military.” In the same vein, someone I interviewed expressed the fear that “if conflicts rise to the point where they are uncontrollable, the military can rise and take control again. We will be facing military dictatorship all over again.”
The general consensus among interviewed individuals is that the United States is doing a good, even “excellent,” job at promoting democracy in Myanmar.

In contrast, U.S. promotion of the peace process with ethnic minority groups has been found wanting. Most expressed a desire for the United States to do more, though the extent of U.S. involvement suggested ranged from greater financial support to a more substantive role as an observer in the peace process. A person involved in peace efforts argued that “being the most powerful country in the world, the presence of the United States in the peace process will be a big reassurance that both sides will hold on to the agreement and implement it accordingly.”

A more substantive U.S. role, however, is complicated because of Chinese government sensitivities and the Myanmar government’s reluctance to internationalize the peace process. When the Kachin Independence Organization (KIO), the political wing of an armed ethnic group (the Kachin Independence Army or KIA) in Myanmar’s north, requested the presence of the United States, the European Union, and the United Nations at its cease-fire negotiations with the government, China reportedly objected.21

While the United States is generally regarded as doing too little with respect to the peace process, the United States and western media are seen as interfering too much in relation to the Rohingya issue. A Myanmar nongovernmental organization (NGO) representative explained government resentment of the United States’ handling of the issue: “The United States sees it as a human rights issue. But the [Myanmar] government thinks that human rights are not valuable. If [local] officials cannot see from a human rights lens, they think that the United States is biased.”

Resentment is not confined to Myanmar government officials; it is shared by many educated elites and the wider populace. Statements ranged from strident (“I feel very anti-American at the moment”) to coded exhortations for the international community to “respect sovereignty and citizenship rights,” alluding to Myanmar’s right to determine how to deal with “illegal immigrants” within its borders. The ethnic Rakhine population in Rakhine state feel aggrieved by what they regard as the international community’s neglect of their straitened circumstances and its favorable treatment of the Rohingya.22

Apart from umbrage over the Rohingya issue, there is also across-the-board sensitivity to what might be perceived as external criticism of Buddhism. This was seen in the huge

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backlash to *Time* magazine’s article on activist monk Wirathu, which labeled him the face of “Buddhist Terror.”

The Peace Process: “A Long and Winding Road”

Since President Thein Sein’s peace initiative began in 2011, the Myanmar government has signed bilateral cease-fires with 14 out of 16 significant armed ethnic groups. Conflict levels have dropped significantly, although fighting continues, particularly in Shan and Kachin states. Commendable progress notwithstanding, a lasting peace in Myanmar remains a long way off. Achieving this will require political commitment and stamina, as well as sustained support from the international community.

The main hurdles moving forward are:

1. Concluding a nationwide cease-fire agreement. While the government says that this will help consolidate individual cease-fire deals and allow for political dialogue, critics maintain that it is a self-imposed barrier preventing or at least deferring political dialogue. They also charge that the government is seeking to get political mileage out of concluding a nationwide pact.

2. Agreeing on a framework for political dialogue.

3. Carrying out political dialogue and reaching political settlement.

There is also a need for existing cease-fire agreements to be adhered to throughout the process. In addition, while all parties are allegedly working toward a nationwide cease-fire agreement (without requiring the remaining two bilateral deals to be concluded first), this could change if trust breaks down.

CEASE-FIRE DEALS

The government initially targeted July 2013 for concluding a national cease-fire accord, but this has been postponed several times. The armed forces have proposed that the nationwide cease-fire be signed by August 1, 2014.

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23. Hannah Beech, “The Face of Buddhist Terror,” *Time*, July 1, 2013, http://content.time.com/time/magazine/article/0,9171,2146000,00.html. Wirathu is the monk who led a march in support of President Thein Sein’s plan to deport the Rohingya. He is also considered the spiritual leader of the “969 movement,” which supporters say seeks to preserve the cultural traditions of Buddhism and detractors regard as an extremist nationalist movement targeting Muslims.


Previously, a national cease-fire deal was hindered by the KIO’s refusal to conclude a bilateral cease-fire agreement with the government—it remains the only major rebel group that has not signed a bilateral pact with the government. The Palaung State Liberation Front/Ta’ang National Liberation Army is the other significant group that has not struck a deal.

Nyo Ohn Myint of the government-affiliated Myanmar Peace Center (MPC) attributed the KIO’s holding out to the “total lack of trust within the Kachin community.”27 The community felt acutely betrayed by the failure of a 1994 cease-fire agreement to result in any form of political dialogue.

Continued hostilities between government troops and the KIA have not helped either. In May 2013, a tentative cease-fire between the government and the KIO was signed, but fighting continued. Hostilities also persisted after both parties signed an agreement in early October 2013 to work together to end fighting, establish a conflict monitoring committee, and resettle refugees.28 The most recent clashes took place in mid-February 2014 in Laiza, a town on the border with China, which houses the headquarters of the KIO and KIA.

The KIO made clear that it wants political dialogue to be given priority and the government to stipulate a clear time frame within which this must begin.29 The government, for its part, maintains that it is willing to consider political change, but wants a cease-fire deal first.30

Government representatives were optimistic that they were close to a deal with the KIO last June, but NGOs were skeptical. Since then the situation appears to have improved. The latest comments by the KIO have struck a conciliatory tone. A KIO spokesperson conceded that, while there is continuing movement of troops on the ground and some shows of force, this is “not severe” and the situation has calmed compared with the fighting in late 2012 and early 2013.31


30. Hla Maung Shwe from the MPC was quoted as saying, “The sooner the rebel groups sign the nationwide cease-fire, the sooner the two sides can move toward discussing broader issues in their political dialogue. We need to sign the cease-fire agreement first before moving on to the [political] framework.” “Myanmar Peace Talks Fail to Nail Down Ceasefire Agreement,” Radio Free Asia, November 5, 2013, http://www.rfa.org/english/news/myanmar/nationwide-ceasefire-11052013180515.html.

31. Michaels, “MPC Says Existing Kachin Accord ‘a Sort of Ceasefire.’”
The KIO has also indicated that it intends to sign the nationwide cease-fire agreement so long as political dialogue begins during the signing conference.\textsuperscript{32} For a deal that has been scuttled by disagreement over sequencing, this is progress. As Minister of the President’s Office Aung Min, who leads the peace negotiations, observed, “It is a development that they [ethnic leaders] agreed to sign the cease-fire first, and then move towards the political dialogue.”\textsuperscript{33}

However, the KIO’s time frame is still at odds with the government’s. According to Aung Min, the government hopes political dialogue will be launched “within a couple of months” after the signing of the cease-fire agreement.\textsuperscript{34} The framework for political dialogue will have to be agreed upon prior to this. Whether the KIO will accept this arrangement remains to be seen.

**POLITICAL SETTLEMENT: FRAMEWORK, DIALOGUE, AND DEAL**

*The Thorny Issue of Representation*

However difficult achieving a permanent and nation-wide cease-fire will be, it is political settlement that is the real challenge. The Working Group for Ethnic Coordination submitted a draft framework for political dialogue to the MPC in May 2013 and the MPC is working on its own draft. The framework deals with issues of representation, the decisionmaking process, and the agenda and priorities,\textsuperscript{35} with “the composition and the number of participants” said to be the main difference that needs to be sorted out.\textsuperscript{36} At the end of September 2013 MPC director Kyaw Yin Hlaing said that the “issue [of representation] is still up for discussion,” but intimated that opposition leader Aung San Suu Kyi will play a role.\textsuperscript{37}

The question of representation is a complicated one given the number of stakeholders involved. Armed ethnic groups want to take the lead in their own states, but in Kachin state, for instance, non-Kachin allegedly form two-thirds of the population.\textsuperscript{38} Parliament has also demanded a greater say in the peace process,\textsuperscript{39} with parliamentary speaker Shwe

\begin{itemize}
\item \textsuperscript{32} Ibid.
\item \textsuperscript{35} Kyaw Yin Hlaing (presentation, conference on “Myanmar: The Dynamics of Positive Change,” Johns Hopkins School of Advanced International Studies, Washington, DC, September 23, 2013).
\item \textsuperscript{37} Kyaw Yin Hlaing (presentation). He was responding to a question I posed on whether the government had identified candidates who would have a seat at the negotiating table or whether it had come up with a formula for determining this.
\item \textsuperscript{38} Ibid.
\end{itemize}
Mann and Aung San Suu Kyi apparently in agreement on this issue. Both are said to be wary of the President’s Office and the MPC, which they see as trying to forge a hasty peace agreement without due consultation with the country’s lawmakers.40

The issue is also complicated by the upcoming 2015 election and the potential change in government leadership. Without the requisite degree of buy-in, any agreement(s) reached, including cease-fires, could unravel. The MPC’s Kyaw Yin Hlaing maintains that a nationwide cease-fire agreement will reduce the risk of parties backtracking. The government also plans to cast its net wide in terms of signatories. According to Kyaw Yin Hlaing, “Many of [the] people who will be present post-2015 will also be signatories [to the ceasefire agreement].”

The military’s commitment to any deal(s) reached is also not settled. The government is said to have sought to improve this by involving the military in negotiations. Its third-level leadership is now involved in cease-fire talks with authority from the commander-in-chief, General Min Aung Hlaing.

The Demand for “Federalism”

The ethnic groups’ main demand can be summed up in one word: federalism. Broadly defined, federalism is “a constitutional device which provides for a secure, i.e. constitutional, division of powers between central and ‘segmental’ authorities in such a way that each is acknowledged to be the supreme authority in specific areas of responsibility.”41

What this entails in practice, however, is less clear. It does not appear to have been fully thought through by either side. From the perspective of the ethnic states, there is a vague sense that they should have greater political (including the right to retain arms, militias, and a policing role), economic (revenue sharing and approval/oversight of development projects), and social (education, language, and culture) autonomy.42

Ethnic demands for a federal army are likely to be one of the most contentious issues. In November 2013 ethnic leaders proposed a military consisting of minority armed forces and the Tatmadaw (the Burman-dominated army), each with their own command structure. But the response of Lieutenant-General Myint Soe, commander of the Myanmar military forces in Kachin state, suggests that the Tatmadaw equate this with an attempt to destroy the army: “The army must not be broken up and it must not be destroyed. It

42. ICG, “China’s Myanmar Dilemma,” 12.
can’t be changed either.”43 The constitution stipulates that the defense services are “the sole patriotic defense force.”44

Another controversial issue is the demand from resource-rich ethnic states for a share of the resources located in their respective territories. Under the 2008 constitution the Union of Myanmar is the “ultimate owner of all lands and all natural resources.”45 While resource sharing appears to be on the table, no percentages have been discussed, at least publicly. This may suggest a degree of flexibility, which is positive, but the lack of focus on generating options could also slow down negotiations.

Whatever the ultimate details, genuine federalism will require that each unit within the federal state possesses independent sources of finance. The power to tax residents and businesses, if granted, will provide limited income, especially in the smaller and poorer states. Dependence on the national government for most funding will open the door for interference in local affairs.46

**Communal Tensions: A Potential Wildfire**

Buddhist-Muslim violence has been on an uptick since tensions between Rakhine Buddhists and Rohingya Muslims erupted in violence in Sittwe, the capital of Rakhine state, in May 2012. A state of emergency was imposed in June to stem its spread. This did not stop violence from breaking out in other areas of Rakhine in October, this time targeting Muslims in general, not just the Rohingya.

In 2013 Buddhist-Muslim clashes took place in Meiktila (March) and Okkan (April), in central Myanmar; Hpakan in Kachin state (May); Lashio in Shan state (May); Thandwe in Rakhine state (June); and Kanbalu township in the Sagaing region (August).47 On September 28, 2013, fresh fighting broke out in Rakhine over a minor altercation ahead of President Thein Sein’s first visit to the state since hostilities began in 2012. It started 12 miles north of Thandwe and spread to Myo Min and three other villages over the next few days.48

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45. Ibid., Article 37.
In 2014 the United Nations reported that clashes occurred in a village in southern Maungdaw township in Rakhine on January 9 and 13. The Myanmar government rejected the UN account of the incident and launched its own investigation.49

DOMESTIC AND INTERNATIONAL REPERCUSSIONS OF BUDDHIST-MUSLIM CONFLICT

The clashes between Buddhists and Muslims in June and October 2012 in Rakhine state left almost 200 people dead and around 140,000 displaced. The violence in Meiktila, which is where the most serious violence occurred in 2013, resulted in 44 deaths and the widespread destruction of Muslim neighborhoods.50 The United Nations counts 49 Muslims killed in the hostilities in January 2014, though the government insists only one person was killed.51

Apart from loss of life, violence also threatens Myanmar’s economy as it dampens investor confidence.52 More fundamentally, it could endanger political transformation. Violence affecting Myanmar’s geographic center could lead to a declaration of a state of emergency, with consequences for civil liberties.

The risk of extremists targeting Myanmar also cannot be discounted. Groups in Indonesia have called for a jihad against Myanmar. One influential radical cleric declared this an obligation for all Muslims.53 Extremist groups going to the aid of coreligionists is not without precedent in the region. In mid-2000, for example, 2,000 members of Laskar Jihad, a Java-based radical Islamic organization, arrived in Ambon, the capital of Indonesia’s Maluku province, to help fellow Muslims fight against Christians.54

Communal violence has undermined Myanmar’s relations with its neighbors, in particular, Muslim-majority Malaysia and Indonesia, where the numbers of Muslim Rohingya refugees from Myanmar have surged since the unrest in 2012. It has also hurt Myanmar’s international reputation. The Organization of Islamic Cooperation (OIC), an association of 56 states with significant Muslim populations, along with other international organizations including the United Nations and human rights groups, have

50. ICG, “Dark Side of Transition,” i.
52. The close link between the communal conflict and the economy may be seen in the U.S.-ASEAN Business Council hosting a talk by a Buddhist monk who is part of the 969 movement. Representatives of multinational companies concerned about violent conflict in Myanmar were in attendance. Shwe Nya War Sayadaw (speech, U.S.-ASEAN Business Council, Washington, DC, July 18, 2013).
condemned the violence against the Rohingya. With Myanmar chairing ASEAN in 2014, its priority should be to showcase a modern nation that has made strides from its authoritarian and divided past, rather than one that continues to be afflicted by atavistic tendencies.

Communal conflict in Myanmar has regional ramifications as well. Southeast Asia, a religiously diverse region, is generally known for its tolerance, but Buddhists from Myanmar and a Buddhist center were targeted in Muslim-majority Malaysia and Indonesia. The Myanmar embassy in Indonesia was also the target of a foiled bomb plot. Such incidents, even if averted, create a climate of distrust and fear that could destabilize religious relations in the region, if not beyond.

CAUSES OF BUDDHIST-MUSLIM CONFLICT

There has been a spike in Buddhist-Muslim conflict in recent years, but anti-Muslim sentiment has been present in Myanmar for decades. It has its roots in colonial policy, which brought many Indians to Myanmar to work in commerce, money lending, or as low-skilled labor. Many (though not all) of these Indians were Muslims. Anti-Indian rioting took place in 1930 to protest the sacking of Myanmar workers after Indian dock workers were reinstated after going on strike. Rioting occurred again in 1938 in response to perceived insults to Buddhism.

Today, anti-Muslim sentiment remains widespread. There is a notable lack of support for Muslims, particularly the Rohingya, whom most Myanmar people consider illegal Bengali immigrants. The Rohingya issue is particularly intractable as it also involves issues of citizenship. But it easily feeds into broader anti-Muslim sentiment as seen in the rapid spread of violence from Sittwe to other parts of the country.

Even members of the opposition, the educated elite, and those seeking through their networks and financial resources to promote national reconciliation do not support the Muslims, though there are of course exceptions. Last year members of the National Democratic Force (NDF), a party formed by former members of Aung San Suu Kyi’s National League for Democracy (NLD) who decided to contest the 2010 general election, actively campaigned for a proposal banning interfaith marriage to be brought before the

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56. For a fuller account of the regional dimensions of violence against Muslims in Myanmar, see ICG, “Dark Side of Transition,” 21–22.

57. For an overview of the history of intercommunal tensions in Myanmar, see ibid., 2–6.
parliament. In January 2014 a 10,000-strong conference attended by Buddhist monks voted to back a bill to restrict interfaith marriage and confirmed that it would be sent to parliament with help from the NDF.

The reasons for anti-Muslim sentiment are complex, but the main ones are that Muslims are considered to be too populous, too rich, and too different. The first relates to a fear that Muslims in Myanmar are multiplying rapidly; if the country is not careful it might go the way of countries like India, Pakistan, and Indonesia that have lost their Buddhist heritage. The Rakhine feel crushed between “Burmanization” and “Islamization.”

The second factor refers to the supposed wealth of Muslims, who allegedly use their relative fortunes to buy up Burman land and attract and marry Burman women who are then forced to convert to Islam and bring up Muslim children. Many Myanmar Buddhists also object on moral and practical grounds to Muslims being able to take four wives because it adds to the numbers of Muslims in the country. Even poor Rohingya are rumored to be buying nice houses, guns, and rockets, as well as building mosques. Resentment is heightened by rumors that Muslim wealth has been ill gotten through bribing members of the previous regime.

Shwe Nya War Sayadaw, a monk from the Buddhist nationalist 969 movement, offers a third reason for strained relations with Muslims, in contrast to historically better relations with Christians and Hindus: “differences in beliefs and tradition.” Given that this could also have been said about Christianity or Hinduism, his comment highlights how differences take on heightened salience when a group is regarded as alien and threatening.

At a time when Myanmar is going through a historic transition with no clear winners and losers, the sentiment that Muslims are encroaching on the land of the golden pagodas helps to account for the rise of “Buddhist nationalism,” a term referencing the equation of being Burmese with being Buddhist. Buddhist nationalism in Myanmar takes its most obvious form in the 969 movement. While detractors maintain that the movement uses religion as a guise for xenophobic sentiment, supporters say it helps to defend Buddhism and the nation. Shwe Nya War Sayadaw argues that “Myanmar culture, its whole identity...
is intertwined with Buddhism . . . [W]e are just protecting our country from the probability of it becoming an Islamic state; we have seen this happening before in political history. 64

Aung San Suu Kyi drew a lot of criticism for her assertion last year that communal violence in Myanmar stemmed from fear on both sides of the divide. 65 Critics were incredulous that Buddhists should be fearful of a minority that only accounts for an estimated 4 percent of Myanmar’s total population. 66 Although one might take the position that Aung San Suu Kyi failed to condemn the violence strongly enough, dismissing the Buddhist community’s fears misses an important key to understanding the violence and therefore to managing and resolving the conflict. As Steinberg points out, “The basic issue is the vulnerability of the Burmans as perceived by themselves, not in reality.” 67 While their actions of targeting a minority community cannot be condoned, they must be understood from the vantage point of a dominant community that, along with the minorities, suffered tremendously under previous regimes and is therefore anxious about its future as the country undertakes major reforms.

Some critics say that elements within the government may be instigating communal violence: instability can then be used as a pretext for reverting to authoritarian rule if the opposition wins the 2015 national election. There is no evidence linking the government to clashes. What is clear, however, is that even if true, elite instigation feeds off preexisting anti-Muslim sentiment, which extends across parties and class.

**DANGER OF CONFLICT SPREADING TO OTHER COMMUNITIES**

One danger that has largely been overlooked is the possibility of communal conflict involving other communities in Myanmar. Many of the factors cited for hatred of the Muslims could apply to other groups. For instance, the International Crisis Group (ICG) observes how central Mandalay has been dubbed a “Chinatown,” where Burmese feel that they are outnumbered, are being pushed from the prime areas of town, and are second-class citizens in their own country. It also notes that an estimated 60 percent of Myanmar’s economy is in Chinese hands. 68

The situation is also potentially volatile in the case of the Christian community, though anti-Christian sentiment is not anywhere near the level of anti-Muslim sentiment. The

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64. Shwe Nya War Sayadaw, interview.
67. Steinberg, interview. Matthew Walton similarly highlights how, although Burmans enjoy a privileged position vis-à-vis the minorities in Myanmar, they “cannot see it or actively ignore or deny it.” Matthew Walton, “The ‘Wages of Burman-ness’: Ethnicity and Burman Privilege,” *Journal of Contemporary Asia* 43, no. 1 (2013): 22.
68. ICG, “China’s Myanmar Dilemma,” 25.
availability of Myanmar-language Bibles and the fact that most educated elites went to mission schools in Myanmar means they have a degree of familiarity with Christianity that they do not have with Islam.69

Still, one reliable source recounted hearing monks preaching against Christians in Mandalay. Another alleged that men dressed in Buddhist robes had attacked a Christian preschool in Kachin state in mid-2013. When asked about these incidences, Shwe Nya War Sayadaw conceded that his country was seeing the beginnings of Buddhist-Christian conflict, but attributed it to the work of “extremist Christians” and to their “extremist propaganda.”

It is significant that the draft of the legislation banning interfaith marriage mandates that Buddhist women seek official permission before marrying a man of any other faith, not just Muslims. This is dangerous because laws have a strong signaling effect. In this case, the proposed ban suggests there is something inherently unsavory about all non-Buddhists faiths.

MANAGING AND RESOLVING COMMUNAL CONFLICT: RECOMMENDATIONS FOR THE MYANMAR GOVERNMENT

The Myanmar government must as an urgent priority work to reduce negative perceptions of non-Burman and non-Buddhist groups, while in the longer run foster widespread buy-in for the idea of a Myanmar nation that has an unequivocal place for its minority communities, including the Rohingya.

The government should encourage dialogue between community leaders. According to Archbishop Charles Bo, who leads the Catholic Archdiocese of Yangon, people in Myanmar pay great heed to the teachings of their religious leaders—whether abbots, pastors, bishops, or priests—so the chances of resolving religious tensions improve if religious heads are united in their messages of peace.70

However, Buddhism and Islam (as well as some Protestant groups) are relatively nonhierarchical in the sense that there is no overarching spiritual authority that determines what is acceptable: this is largely left to the head abbot or imam in a temple or mosque. Interfaith dialogue is likely to be self-selecting, with mainly moderates attending. In order to amplify the moderate voices and delegitimize the views of extremists, the government can seek to encourage moderate religious associations that can eventually come to represent (to a greater or lesser extent) their respective communities. These can be modeled loosely along the lines of the Singapore Buddhist Federation, the Islamic Religious Council of Singapore, and the Singapore National Council of Churches, which have played an important role in keeping extremist elements in Singapore in check.

The Myanmar government could work with the State Sangha Maha Nayaka Committee, a group of monks responsible for regulating Myanmar’s Buddhist clergy, to send strong messages against violence and underscore the need for interfaith respect. The committee’s prohibition in September 2013 against the creation of formal organizations based around the 969 movement was a step in the right direction.\(^7\) Although the committee was formed under the former military regime, it can rehabilitate its image by carefully cultivating the trust of the Buddhist community it serves.

The country’s top political leaders should themselves consistently make statements condemning violence and, importantly, back these up with action. Passing laws to criminalize incitement of religious hatred or violence will convey the message that hate speech and violence will not be tolerated. It will also underscore the importance of religious harmony to Myanmar’s future. Decisive and strong action against extremist elements of any community must be taken in an entirely even-handed way.

But officials should go further to convey a positive sense of the inherent worth of minority faiths and their followers. Thus far Myanmar’s leaders have tended to shelter behind legalistic notions like the constitution “fully guarantee[ing] freedom of religion as the fundamental right of citizens.”\(^7\) Many Rohingya lack citizenship and while calls for greater security\(^7\) and adherence to the “rule of law”\(^7\) are important, these do not treat the root causes of the problem.

Given real fears in the Buddhist community that their religion and way of life are under threat, the government should consider how to address these concerns without impinging on the minorities and their religions.

Finally, the government should incentivize interethnic activities, particularly those initiated at the grassroots. In the longer run, tools such as sensitively designed mixed housing and schools and an appropriately crafted national school curriculum could help promote greater interethnic interaction and appreciation, as well as a more inclusive national identity.

The 2015 Election

A free and fair election in Myanmar in 2015 will be an important sign of the consolidation of democratic reform. But the 2015 election could also have an impact on peace and

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\(^7\) Aung San Suu Kyi, interview.
conflict. Spoilers could instigate violence. In addition, the election could complicate the peace process or exacerbate communal tensions.

NLD MAJORITY IN PARLIAMENT, BUT CONTESTED PRESIDENCY

As it stands, if Aung San Suu Kyi’s NLD contests the 2015 election, it is likely to win a majority of the elected seats in Parliament, though its margin is unlikely to be as large as in the 2012 by-elections when it swept 43 of the 44 seats it contested. The general election, however, is still some time away so the dynamics could change.

Aung San Suu Kyi remains very popular overall. Toward the end of 2013, she appeared to make greater attempts to court ethnic minorities, shifting from a position of “democracy first”\textsuperscript{75} to one where “national reconciliation” is given greater priority. At a summit in Singapore in September, she identified national reconciliation as the biggest task facing Myanmar.\textsuperscript{76}

Over the years Aung San Suu Kyi has used the term “national reconciliation” broadly to include reconciliation between the government and the opposition, between the government and the people, between the government and the ethnic groups, and between the different peoples of Myanmar. Her emphasis at the summit appeared to be “forging unity out of the great diversity” of “ethnic nationalities.”\textsuperscript{77} She opened 2014 with visits to Chin, Kayin (also called Karen), and Shan states to drum up support for constitutional changes. The extent to which these overtures will sway ethnic minority groups who feel that the NLD has neglected to promote their cause remains an open question.\textsuperscript{78}

Questionable minority support notwithstanding, the NLD is likely to be the front-runner in the 2015 election, but Aung San Suu Kyi’s likelihood of becoming president is considerably slimmer. The current constitution bars the president (and vice president) from having a spouse or children that are citizens of another country. Aung San Suu Kyi’s now deceased husband was British, as are their children.

Changing Article 59(f), the presidential qualifications clause, will require the support of more than 75 percent of the members of parliament (giving the military, which controls 25 percent of the seats, an effective veto). It will also require the support of more than half of eligible voters in a nationwide referendum.\textsuperscript{79} Organizing a national referendum prior to 2015 will be difficult given the resources and organization that would be required. With

\textsuperscript{75} For a discussion of this approach, see Walton, “‘The Wages of Burman-ness,’” 16.
\textsuperscript{77} Ibid.
\textsuperscript{79} Constitution of Myanmar, Article 436.
Myanmar chairing ASEAN in 2014 (after hosting the Southeast Asia Games at the end of 2013), government resources and organizational capabilities are stretched.

Garnering the support of the requisite numbers in parliament will be the greatest challenge. The position of key players on this issue is equivocal. President Thein Sein recently said that “he would not want restrictions being imposed on the right of any citizen to become the leader of the country,” appearing to support an amendment that would make Aung San Suu Kyi eligible to run for president. But he also caveated this by saying that “we will need to have all necessary measures in place in order to defend our national interests and sovereignty.”

In any event, the president does not have the same leverage over the legislature as parliament speaker Shwe Mann does. The latter initially refused to be drawn into answering the question of whether he would support constitutional changes to allow Aung San Suu Kyi to run for president. He appeared to change tack in October 2013 when he publicly said he would support changes, justifying this on the basis of achieving “a free and fair election in 2015.” Shwe Mann, however, is eyeing the top job himself and has publicly said as much. As speaker, he is said to have strong support within the Union Solidarity and Development Party (USDP) and the military bloc—though ultimately military commander Min Aung Hlaing is his own man and the military vote could be a wild card.

Despite Shwe Mann's endorsement, the possibility of amending Article 59(f) looks increasingly slim. A 109-member committee responsible for reviewing the constitution released its findings in January 2014, summarizing the submissions it received from across society. In relation to Articles 59 and 60, the committee found that of the 6,040 people who submitted comments on these clauses, 5,740 wanted them revised and 194 wanted them deleted, while only 51 people requested that the articles remain in their original form. The committee also said that 592 people wrote in requesting that Article 59(f) specifically should be revised.

But the committee also reported that they received a petition with 106,102 signatures demanding that Article 59(f), among others, be left unchanged. Critics, including Aung San Suu Kyi, have dismissed the signatures, declaring their origin unclear. Based on its

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85. Ibid., 6.
86. Ibid.
findings, the committee recommended that “provisions for the sake of people and related to 
ethnic nationalities and those which can be amended by over 75 percent of the representa-
tives should be prioritized.” As the BBC’s Jonah Fisher said, “The few recommendations 
that have been made appear subtly designed to thwart Ms. Suu Kyi’s ambitions.”

A 31-person implementation committee was set up after the review committee deliv-
ered its findings. The order establishing the implementation committee specified that it 
should “pay attention towards . . . issues in . . . important chapters,” but explicitly singled 
out Chapter 12, dealing with the procedures and rules for amending the constitution for 
special mention.90 In directives that followed, Shwe Mann tasked the implementation 
committee with reviewing Chapter 12 to “less[en] the burden to the people.”91 He also 
manded that it complete the bill for amendments six months ahead of the 2015 election,91 
a time frame criticized by the NLD as too late.92

Aung San Suu Kyi’s frustration at the dragging out of the constitutional amendment 
process is increasingly evident, but her party confirmed that it will run in the 2015 election 
even if the constitutional article barring its leader from running for president is not 
amended. An NLD spokesman explained Aung San Suu Kyi’s earlier statement that “one 
should not contest the election without amending the constitution” as meaning that the 
ruling party should not contest the election without changing the charter.93 But Aung San 
Suu Kyi was in fact quoted as saying more explicitly, “There is a lot at risk in joining the 
elections. If we join the elections, we’ll have no dignity in the eyes of the people. This is why 
I urge you not to join these elections unless [the constitution] is amended.”94 The backped-
aling could suggest disagreement within the party about its 2015 strategy.

If elected president, Shwe Mann, who is considered a moderate with reformist 
credentials,95 would likely be cannier than President Thein Sein in his dealings with the 
west. Of the three presumed presidential contenders—Thein Sein, Shwe Mann, and Aung 
San Suu Kyi—the speaker is considered the least amenable to western pressure. He is said

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88. Fisher, “Will Aung San Suu Kyi Ever Become President of Burma?”
89. “Myanmar: Order No. 20/2014 Organizing Implementation Committee for the Amendment of the Consti-
tution,” ConstitutionNet, February 2014, para. 8, http://www.constitutionnet.org/vl/item/myanmar-order-no-
202014-organizing-implementation-committee-amendment-constitution.
90. “Myanmar: The Basic Principles for the Implementation Committee by the Speaker,” ConstitutionNet, 
91. Ibid., para. (d).
92. See Ko Ni, a lawyer representing the NLD. Quoted in Angus Watson, “Changes to the Constitution Must 
94. Lawi Weng, “Suu Kyi Warns Against Taking Part in 2015 Vote Without Charter Reform,” Irrawaddy, 
to be a strong supporter of the military, but wants it firmly under a civilian government. Shwe Mann is also believed to favor professionalization of the military through training and reeducation, as well as increases to the military's budget.

Several sources have suggested that a power-sharing deal between Aung San Suu Kyi and Shwe Mann could be in the works.\textsuperscript{96} Under such a deal, the NLD leader would back the speaker for president in return for his promise to amend the constitution so that she could take over later. The increasing cooperation between the two was cited as supporting the possibility of such a deal. However, Aung San Suu Kyi’s evident frustration at the slow movement on constitutional reform suggests some breakdown of trust between her and the speaker, casting doubt on a possible deal.

**POPULARITY OF PRESIDENT THEIN SEIN AND THE 88 GENERATION LEADERS**

Although an NLD win in 2015 is likely, it is unlikely to be a shoo-in. This is particularly the case if President Thein Sein decides to run. He said in July 2013 that he was not preparing to run in 2015.\textsuperscript{97} But the speaker’s declaration in October that Thein Sein would not be seeking a second term\textsuperscript{98} was soundly rebuked by the presidential spokesman.\textsuperscript{99}

Some observers feel that if Thein Sein ran for another term, the race would be very close. They say the president is well liked because of his humble personality. A vote for the USDP would be seen as supporting the president’s record of implementing reforms. It would also be a vote for economic growth, especially since a change could mean increased uncertainty.

Aung San Suu Kyi is said to have disappointed many in the business community with her comments at the 2013 Singapore Summit, an annual business forum organized by agencies of the Singapore government. She was criticized for failing to display a clear development vision. One prominent American reportedly said that her overly idealistic worldview and cautious, even suspicious, attitude toward foreign investment had had a chilling effect on potential investors.

Some observers argue that the ground in Myanmar is shifting and although Aung San Suu Kyi may be popular, her party on the whole is weak. It lacks a clear platform and is still regarded as constituted by “sclerotic uncles” who run the party in a hierarchical fashion, an observation initially made in a U.S. embassy cable in 2008\textsuperscript{100} and reiterated by others on my visit to Yangon. Her party is criticized as being out of touch on ethnic

\textsuperscript{98} “Myanmar’s President Thein Sein Will Not Seek Another Term: Speaker,” Radio Free Asia, October 24, 2013.
issues and Aung San Suu Kyi herself is prone to criticism for making decisions from the top down.

By 2015 the 88 Generation, a popular pro-democracy movement led by leaders of the 1988 student uprising for democracy who spent years in prison, might also decide to throw down the gauntlet, though they have not committed to running. If they do decide to run, they could split the opposition vote. They are popular given their commitment to democracy, which has been demonstrated over the years—first in the 1988 uprising and then in the monk-led Saffron Revolution in 2007.

Although the NLD faces various challenges, a win by Aung San Suu Kyi’s party is still the most probable scenario. Her reputation in making the transition “from dissident to politician” has been tarnished somewhat,\footnote{Thomas Fuller, “In Public Eye, Shining Star of Myanmar Loses Luster,” New York Times, March 9, 2013, http://www.nytimes.com/2013/03/10/world/asia/in-public-eye-shining-star-of-myanmar-loses-luster.html?_r=0.} but one must be careful not to overstate this. She is still much loved by many who are grateful for the personal sacrifices she made in the years she spent under house arrest and for her role in leading pro-democracy protests against the military.\footnote{One interviewee insisted that scenes of angry protesters berating Aung San Suu Kyi for her commission’s recommendation that the controversial Letpadaung mine project go ahead despite local opposition were staged.} Many voters could be guided by a sense of gratitude and love, rather than concerns about economic growth, in voting for the NLD.\footnote{See also Kyaw Zwa Moe, “Is the NLD Still the People’s Party?” Irrawaddy, September 27, 2013, http://www.irrawaddy.org/commentary/nld-still-peoples-party.html/print/}

Further, while Aung San Suu Kyi is facing criticism from the international community for not speaking out more strongly against anti-Muslim violence, this is unlikely to hurt the NLD’s electoral chances given the low level of support for Muslims, particularly the Rohingya. Government and opposition alike have determined that the political calculus does not warrant speaking out in support of the marginalized Muslim community.

**U.S. Strategy and Recommendations**

*The U.S. needs a clear strategy on the Myanmar transition and peace process—both are linked.*

*Congress is still suspicious of reform here. . . . So USAID [U.S. Agency for International Development] is cautious—it is in limbo.*

Given its interests in Myanmar, the United States needs to be consistent about pursuing policies that will directly or indirectly promote the peace process and support the Myanmar government in ameliorating communal tensions in Rakhine state and elsewhere. However important securing the release of political prisoners and ensuring that the 2015 election is free and fair might be, they are insufficient to achieve a stable and durable democracy.
Ethnic conflict poses a particular danger to democracy in Myanmar because conflict threatening the integrity of the state could set back or even reverse reforms. The process of democratization itself can also lead to greater conflict in ethnically divided countries. The rise in violent communal outbursts since Myanmar’s political opening is not surprising and may be regarded as a by-product of the reform process. The lead-up to the 2015 election could see increased levels of conflict.

Some in Congress are skeptical about U.S. policy in Myanmar, but engagement with the country is important to securing U.S. interests in the Asia Pacific. Some broad recommendations to encourage the peace process and reduce communal violence in Rakhine and elsewhere follow.

1. Offer greater monetary and technical support for the peace process.

The European Union and Norway have been at the forefront of funding peace initiatives in Myanmar, though Norway is now reviewing its Myanmar Peace Support Initiative. In 2013 the European Union committed nearly $35 million to the peace process and development in ethnic areas. Funding for the period 2014–2020 is likely to increase to as much as $122.4 million annually. Japan recently joined the ranks of top donors to Myanmar, pledging to spend $96 million to develop infrastructure and lift standards of living in Myanmar’s conflict-plagued ethnic areas. In contrast, the United States provides a sum that someone involved in the peace process in Myanmar described as “token.”

The United States should help by providing greater monetary and technical support for the process. Technical experts, such as constitutional law experts, could greatly assist in facilitating preparations for political dialogue and eventual political settlement. This could in turn help encourage a national cease-fire by demonstrating the government’s sincerity to reach a political settlement. In providing support for the process, the United States should ensure that both the government and nongovernment minority groups involved in peace initiatives are beneficiaries.

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104. See, for example, Jack Snyder, From Voting to Violence: Democratization and Nationalist Conflict (New York: Norton, 2000).


110. Ashley South notes how donors seem largely content to provide funding to traditional—and generally
2. Help create a peace dividend in the ethnic states while urging a political settlement.

An important part of supporting the peace process would be to help create a “peace dividend” in the ethnic states. This approach is not without detractors from ethnic groups, community-based organizations, and NGOs that stress the need for political settlement over economic development. As one ethnic Kachin said, “Our primary grievance is self-determination not economic [development].” Ethnic groups regard development with suspicion because they consider it a means by which the government has sought to sidestep their political demands.

However, economic development and political settlement should not be seen as mutually exclusive. Indeed, creating peace dividends can help incentivize a political deal, though it will not seal it. One interviewee highlighted how “ethnic armed groups say they don’t want development, they want political settlement first. However, in peace talks with them, they complain that their state is poor, that they don’t have roads and electricity.” NGO workers have highlighted development issues as those that most concern people on the ground.111

The point is to recognize that ethnic concerns are first and foremost political, but also to create an environment that encourages political resolution by also addressing the real developmental and economic challenges that ethnic states and their people face.

Thus far, the focus of USAID’s efforts in Myanmar is on providing urgently needed humanitarian assistance for internally displaced people, and the promotion of democracy and human rights.112 The agency, however, has also recognized “the need and opportunity . . . to foster ethnic reconciliation.”113 One way USAID could do this is by promoting development in the ethnic states through encouraging local entrepreneurship and the creation of jobs, as well as helping to provide technical training, education, and human resource development. Educational efforts currently center on migrant and refugee schools in Thailand and in eastern Myanmar. Many ethnic states are resource rich, but poverty afflicts its people. Developmental needs are particularly great in Rakhine and Chin, the two poorest states in Myanmar.

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Quite apart from ensuring that political dialogue progresses alongside economic development, economic growth must also proceed in a way that is sensitive to existing power and ethnic relations. This will undoubtedly be a delicate balancing act. One interviewee alluded to part of the difficulty: “We need to ensure the ethnic armed forces are fed. The Tatmadaw too.”

3. Promote greater military-to-military engagement to help sustain the peace process and broader democratic reform.

The Tatmadaw continues to be the most powerful institution in Myanmar. Whether from the perspective of promoting U.S. security or values, a strong case may be made for greater U.S. engagement with the Myanmar military.

If the United States does not engage with Myanmar’s military, other powers will fill the void. This will work counter to the U.S. rebalance to Asia. After the suspension of the U.S. International Military Education and Training (IMET) program for Myanmar following the government’s brutal crackdown on peaceful protesters in the late 1980s, many Tatmadaw officers trained in China, India, Pakistan, Singapore, Russia, and Yugoslavia.

Today, the number of active officers trained in China “vastly outnumbers” those trained in the United States, with the Tatmadaw “remain[ing] profoundly exposed to China in terms of training and military culture.” In addition, China recently pledged to work with Myanmar to further improve military ties and jointly safeguard border stability. The commitment was made during a reception for Myanmar’s commander-in-chief Min Aung Hlaing on a recent visit to China.

Greater military-to-military engagement will help open channels of communication and afford the United States a better understanding of a notoriously opaque institution. Increased personal ties between members of the U.S. and Myanmar armed forces could potentially serve a socialization function—engagement offers the possibility of “positively influencing the Tatmadaw officer corps . . . [through] exposure to perspectives provided at U.S. military schools, not otherwise possible through conferences, seminars, and observing training exercises.”

Those opposed to engagement with Myanmar’s military argue that it confers on it an ill-deserved legitimacy. Even if this were the case, with countries like the United Kingdom and Australia moving forward with engagement, it only makes a marginal difference for the United States to hold back.

A stronger argument against military engagement is that the Tatmadaw has not given any indication that it supports the reforms and that it should first be expected to satisfy various conditions, including showing progress on human rights, adhering to cease-fire agreements with the minority armies, and cutting alleged ties to North Korea. This assumes that the Tatmadaw considers U.S. military engagement so critical that it would be willing (and able) to jump through all the hoops needed to fulfill U.S. conditions, including those that it may consider to be against Myanmar’s security interests.

While engagement with the United States is viewed as desirable given the “unsurpassed level of quality” of U.S. military education, Myanmar’s military leader Min Aung Hlaing—himself a man of little western exposure—is rumored to be cautious about sending his officers to the United States, fearing this could potentially be destabilizing. Indeed, the lukewarm response to U.S. invitations thus far—only a few low-level officers have been sent to attend workshops and courses in the United States—suggests that the Tatmadaw may be testing the waters. Sustained engagement over time could help to reduce suspicions and allow for officers in more senior positions to be exposed.

The United States would be serving its own as well as Myanmar’s interests by establishing better ties with a critical institution at this formative stage of the country’s development. Limiting the focus of engagement to human rights training and efforts to professionalize the Myanmar army into a law-abiding defense force, as the United States is now doing, could help ameliorate human rights concerns. The Tatmadaw is a highly patriotic institution and will ultimately deal with crisis situations according to its assessment of the country’s national interests (perpetuating the military’s power and independence is considered one such interest). Given the potentially serious ramifications of the Tatmadaw’s actions, the United States should not forego the opportunity to potentially shape outcomes, even if only indirectly, or be better prepared to deal with them.

4. Engage behind the scenes on Rakhine state (softly, softly does it!).

The United States has contributed $7.3 million for humanitarian assistance for “both Rakhine and Rohingya communities” since June 2012. Ambassador Derek Mitchell has

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118. Riley and Balaram, “The United States IMET Program,” 120.
120. Interview by the author of this report.
123. MacDonald, “What Does Myanmar’s Military Want?”
The situation in Rakhine state is a difficult one for the Myanmar government and is therefore one that the international community must broach sensitively. From the Myanmar government’s perspective, it is caught between a rock and a hard place. Even if it had the political will to help the Rohingya (there appears to be little with the 2015 election looming and widespread anti-Rohingya sentiment in the country), it would have difficulty persuading the Rakhine and the broader populace to accept this. The Rakhine are said to hate the Burmans almost as much as they despise the Rohingya, so the government has little, if any, persuasive sway. The U.S. embassy in Myanmar appears, broadly, to be striking the right balance between urging the government to address the dire situation in Rakhine state and understanding the constraints it faces.

Apart from humanitarian assistance, the United States’ focus in the short-term should be on working behind the scenes to keep up the pressure on the Myanmar government to grant individual Rohingya citizenship and the rights that accompany it. This would admittedly benefit only a small number—Naypyidaw recently categorically rejected the United Nations’ call to give the Rohingya full access to citizenship—but it would at least be a start.

According to the report of the government’s commission on violence in Rakhine state, most Rakhine accept that “Bengalis” who fit the legal criteria for citizenship should be given it, though they oppose the claim of “Bengalis who wish to be labeled . . . one of the indigenous groups of the Union of Myanmar.” The weak appetite for recognizing the Rohingya as a community is replicated outside of Rakhine, even among those who might generally be sympathetic to their situation. Part of the reason for this is a fear that it would pave the way for other communities like the Chinese and Indians to also make claims to be recognized.

129. Tin Maung Maung Than, interview.
The 1982 Citizenship Law requires applicants who are not members of one of the 135 officially recognized “national” ethnic groups and who did not apply for citizenship under an earlier citizenship act to show pre-1948 proof of settlement in order to apply for naturalized citizenship—an onerous requirement for the poor and marginalized Rohingya. There are, however, possible ways to lighten this burden. One interviewee mentioned being told that every local ward has a register of people living in the ward, which could be used as proof of residence/settlement.

Another interviewee highlighted the existence of bylaws that allow for a committee member to endorse applications for citizenship without any documentation. If these means are indeed available, it offers the possibility of citizenship for individual Rohingya who might otherwise be unable to meet the strict letter of the 1982 Citizenship Law. Although the second relies heavily on the discretion of a potentially unsympathetic committee member, a significant number of claims could be put through with a strong internal (non-public) top-down directive.

Beyond citizenship, reconciliation between Rakhine Buddhists and Rohingya Muslims should also be fostered. The U.S. embassy in Myanmar has rightfully recognized the importance of rebuilding trust between the two communities. Some of the means outlined below, which seek to address broader intercommunal tensions, could help with this outcome.

5. **Promote civil society organizations in the ethnic states, particularly organizations whose goals cut across ethnic (racial and religious) divides.**

USAID has taken important steps to boost civil society in Myanmar. In March 2013 it announced an $11 million elections and political process assistance program to “assist the government in improving electoral administration . . . promote voter education; provide parliamentary strengthening assistance; and support political party development.”

In boosting civil society in the country, the United States should pay particular attention to expanding its presence in ethnic states where developmental issues are most acute, given the particular challenges of corruption and warlordism. Civil associations have always played an important role in Myanmar despite repressive action against them under

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133. One interviewee involved in the peace process observed that the risk of warlordism was particularly high in the Wa Self-Administered Division, which is officially part of Shan state. There are also risks in Kayin (also called Karen) state, where there are multiple groups vying for control, as well as Shan state itself. Steinberg casts his net wider, “None of these minorities have been elected to anything. They are the ones with the guns. So they are in effect warlords.” Steinberg, interview.
previous regimes, but most civil society organizations continue to be concentrated in larger cities like Yangon and Mandalay.

In addition to supporting civil society organizations focused on elections and political process, the United States should look to encouraging civil society organizations that have a more direct nation-building function. Civil society organizations play an important nation-building role because, together with other forms of voluntary associations, they “instill in their members habits of cooperation, solidarity and public spiritedness.” This function can be reinforced by strong U.S. backing of organizations that cut across society’s divisions or, while homogenous themselves, seek to improve conditions for all rather than just catering to members of their own community.

6. Support expansive interfaith dialogue and work with the Myanmar government to support ground-up initiatives to promote interethnic harmony.

The United States is already taking positive steps to promote interfaith relations. In June 2013 the U.S. embassy hosted a small breakfast meeting of seven representatives of the major faiths. In October 2013 Ambassador Mitchell endorsed an international multifaith dialogue attended by over 200 local and international observers.

Attendance at interfaith meetings, however, can be self-selecting. It is important to ensure that even extremist elements are brought into the fold. The lack of central control in Buddhism and Islam means that the local abbot or imam can with considerable legitimacy and authority preach messages that depart from the moderate messages of their counterparts elsewhere. The United States can support the Myanmar government’s efforts in reaching out to religious leaders across the country.

Beyond promoting moderate religious views, it is also important to encourage ground-up initiatives and activities that advance wider interethnic interaction and cooperation. Together with the Myanmar government, the United States can launch a fund—a “harmony fund” of sorts—that offers grants to mixed groups seeking to solve the needs of their community, or to groups that (while homogenous) directly target fostering better interethnic relations. An example of a project that could qualify would be a joint Rakhine and Rohingya plan to build and run a school for the children of their communities. Funding

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under this type of grant could be disbursed over time to ensure that the spirit of the fund is respected and interaction and cooperation sustained over time.

Myanmar has embarked on historic political and economic reforms. There is a strong sense of the country being on the cusp of change, but also of time being of the essence. Its chairmanship of ASEAN this year could give it an added desire and impetus for change.

There is a danger of the upcoming 2015 election setting reforms back because it could weaken the political will and energy to undertake unpopular reforms. The United States, having satisfied itself that President Thein Sein and his inner circle are making bona fide attempts at reforming the country, should provide the government with as much support and flexibility as possible at this critical juncture.

Changes in Myanmar will not happen overnight. The journey toward a stable democracy is likely to be “a long and winding road”—the lyrics of a Beatles song crooned by an interviewee in an old colonial bungalow in Yangon as a parting shot after offering insight into the peace process. Appropriate international support could help make the journey shorter. The United States has interests and an important role to play in supporting Myanmar’s reform process.
Appendix

The following are the names and designations of people I spoke to in the course of my research for this report. Where individuals requested that I not name them, I have honored their requests and excluded mention of them on this list.

Ant Bwe Kyaw, Secretary of Information, 88 Generation Students Group, Yangon

Aung Naing Oo, Associate Program Director, Peace Dialogue Program, Myanmar Peace Center, Yangon

Archbishop Charles Maung Bo, Roman Catholic Archdiocese of Yangon

Judith Cefkin, Senior Adviser for Burma, U.S. Department of State, Washington, D.C.

Ambassador Robert Chua, Embassy of the Republic of Singapore, Yangon


Ambassador Faisal Muhamad, Embassy of Malaysia, Yangon

Paul Guerin, Chief of Party, International Foundation for Electoral Systems, Yangon

Peter Harrell, Deputy Assistant Secretary for Counter Threat Finance and Sanctions, Bureau of Economic and Business Affairs, U.S. Department of State, Washington, D.C.

Chris Herink, National Director, World Vision, Yangon

Ja Nan, Assistant Director, Shalom Foundation, Yangon

Khin Marla, Managing Director, NatRay Co. Ltd., Yangon

Kyaw Yin Hlaing, Program Director, Peace Dialogue Program, Myanmar Peace Center, Yangon

Alvin Law, founder of a marketing company in Myanmar, Yangon

Michael Martin, Specialist in Asian Affairs, Congressional Research Service, Washington, D.C.

David Mathieson, Senior Researcher, Asia Division, Human Rights Watch, Yangon

Ambassador Derek Mitchell, U.S. Embassy, Yangon
Min Thein, Minister Counsellor, Embassy of the Republic of the Union of Myanmar, Washington, D.C.

Min Zaw Oo, Program Director, Ceasefire Negotiation Program, Myanmar Peace Center, Yangon

Min Zeya, Secretary, 88 Generation Students Group, Yangon

Anthony Nelson, Director, Public Relations, Association of Southeast Asian Nations (ASEAN), Myanmar and Defense, U.S.-ASEAN Business Council, Washington, D.C.

Nyo Ohn Myint, Associate Program Director, Peace Dialogue Program, Myanmar Peace Center, Yangon

Venerable Paññasiha (“Shwe Nya War Sayadaw”), Shwe Nya War Tawya Monastery, Yangon

David Steinberg, Distinguished Professor Emeritus of Asian Studies, School of Foreign Service, Georgetown University, and Visiting Scholar, School of Advanced International Studies (SAIS), Johns Hopkins University, Washington, D.C.

Frankie Tan, former president of the Singapore Association of Myanmar and former chief executive officer of Yoma, Yangon

Robert Taylor, Visiting Professorial Fellow, Institute of Southeast Asian Studies (ISEAS), Singapore

Tin Maung Maung Than, Senior Research Fellow, ISEAS, Singapore

Thein Oo, member of Pyithu Hluttaw Commission for Assessment of Legal Affairs and Special Issues, Yangon

Toe Naing Mann, Advisor to the Speaker, Lower House (Pyithu Hluttaw); member of Pyithu Hluttaw Commission for Assessment for Legal Affairs and Special Issues, Naypyidaw

Win Min, Visiting Research Fellow, Myanmar Development Resource Institute, Center for Economic and Social Development, Yangon

Win Zin Oo, Humanitarian and Emergency Affairs Director, World Vision, Yangon

Lawrence Wong, Acting Minister for Culture, Community and Youth, Republic of Singapore

Zaw Zaw, Chairman, Max Myanmar Group of Companies, Yangon
**About the Author**

**Lynn Kuok** is a fellow at the Harvard Kennedy School of Government and was recently a visiting fellow with the Sumitro Chair for Southeast Asia Studies at the Center for Strategic and International Studies. She holds a PhD in Politics from the University of Cambridge, where she was a Commonwealth scholar and editor-in-chief of the *Cambridge Review of International Affairs*. Her research focuses on race and religious relations in Southeast Asia. She also works on the politics of these countries, as well as broader issues of Asian security.
Promoting Peace in Myanmar
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A Report of the CSIS Sumitro Chair for Southeast Asia Studies

MAY 2014

AUTHOR
Lynn Kuok