The Development-Insecurity Nexus: 
*Geo-economic Transformations and Violence in Myanmar.*

By David Brenner.
ABSTRACT.
Myanmar’s peace process is often viewed in light of the country’s wider political transition. While this prism seems intuitive, it misses the impacts of powerful geopolitical interests from China, Thailand and India that have started to transform Myanmar’s restive but strategically-located borderlands from peripheries into hubs of regional connectivity, trade and development. This paper sheds light on the divergent effects that these economic forces have on dynamics of war and peace: On the one hand, they provide an inroad for crude pacification and partial state territorialisation in areas formerly off limits. On the other hand, they instigate new dynamics of armed resistance among ethnic insurgency movements. This puts the success of Myanmar’s peace process as well as the development aspirations of neighbouring regional powers in doubt. By comparing the ways in which economic transformations have driven dynamics of conflict and violence in the Karen and Kachin borderlands, the paper identifies one of the key problems of Myanmar’s peace process in the misconception that securitised, economic development can override long-standing ethnonational ideologies, ethnic discrimination, and socio-political grievances.
1. INTRODUCTION.
Myanmar’s unique geography amidst South, East, and Southeast Asia has turned the impoverished country into a hotspot of regional infrastructure investment by neighbouring governments and development agencies. The country’s peripheral but strategically located borderlands are often regarded as the potential hub for regional connectivity and economic integration. What frequently goes missing in such development visions is that Myanmar's border areas are also home to one of the world's longest, ongoing civil wars between a dazzling array of ethnonational insurgency movements and an ethnocratic state. The conflict, however, is commonly seen as a waning issue of the past, which will soon yield to the new geopolitical realities of development and prosperity. Underlying this presumption is an economistic reading of conflict that claims economic growth will override ethnic demands and political grievances. Escalating conflict in areas of large-scale infrastructure investment and development along the China-Myanmar border, however, challenge the validity of this logic.

By tracing the impacts of top-down, securitised development initiatives on local dynamics of conflict and violence, this paper shows that economic forces have divergent effects on Myanmar’s restive hinterlands. On the one hand, they constitute an inroad for crude pacification and partial state territorialisation in formerly off-limits areas. On the other hand, they instigate new dynamics of armed resistance among ethnic insurgency movements, which casts the success of Myanmar’s peace process as well as wider development aspirations into doubt. Zooming in on the country’s insurgent Kachin and Karen borderlands with China and Thailand, this paper argues that one of the key problems of Myanmar’s peace process is the misconception that securitised economic development can override long-running ethnonational projects. To develop this argument, the paper proceeds in two parts. It will first provide an overview of geopolitical interests and economic transformations in Myanmar’s border areas, where economic development has long merged with agendas of state territorialisation and counterinsurgency. Building on this, the paper will trace how this has impacted on dynamics of conflict and peace by comparing the ways in which economic transformations sparked new instances of resistance in the Kachin and Karen border areas.¹

2. GEO-ECONOMIC TRANSFORMATIONS: THE FRONTIERS OF ASIA’S ‘FINAL FRONTIER’.
Myanmar lies at the epicentre of geopolitical transformations in contemporary Southeast Asia. Not only has Sino-American geostrategic competition in Myanmar intensified since the country re-established relations with the West following transition to semi-civilian government in 2011 (Haacke, 2012, 2015; Han, 2017). Sandwiched in between the region’s affluent economies of China, India, and Thailand, Myanmar has also aroused the development imaginations of governments and development agencies. This has inspired China’s ‘look south’ strategy, India’s ‘look east’ strategy as well as motivated development policies of regional organisations, such as the Asian Development Bank. The main goal is to foster commerce and regional economic integration by

¹. This paper is based on nine months of field work, which has been conducted between 2013 and 2014 as part of my PhD research. Please see chapter three of my thesis for a detailed discussion of research methods (Brenner, 2016).
increasing connectivity through ‘the Myanmar connection’ (Chachavalpongpun, 2011, p. 102; Steinberg and Fan, 2012, pp. 280-96; Asian Development Bank, 2010).

Such grand visions are redolent of age-old imaginations about Myanmar’s geostrategic relevance; as in the Second World War, when Myanmar became conceived as the ‘gateway to China’, manifested in the ‘Burma Road’ built by Allied forces to supply Chinese nationalist troops fighting the Japanese (cf. Deignan, 1943). They also dovetail with the view from Naypyidaw. In his book Where China meets India: Burma and the New Crossroads of Asia, Myanmar historian Thant Myint-U provides a window into the geopolitical self-understanding of that uniquely situated country (Thant Myint-U, 2011). Thant Myint-U is the grandson of UN General Secretary U Thant and special advisor to the Union Peace Working Committee (formerly Myanmar Peace Centre) of the government of Myanmar. He believes geography is the key to unleashing Myanmar’s full potential:

When geography changes, old patterns of contact may disappear and new ones take hold, turning strangers into neighbours, and transforming backwaters into zones of strategic significance. (Thant Myint-U, 2011, p. 3)

This transformation of Myanmar into a hub of regional connectivity is already underway in the form of major infrastructure construction, including pipelines and roads. China has built a twin pipeline to transport both gas and crude oil from Myanmar’s Rakhine State to China’s landlocked Yunnan province in order to circumvent vulnerable shipping lanes through the Strait of Malacca and the disputed South China Sea (Hornby, 2017). Another gas pipeline between Myanmar and Thailand has been in operation since the late 1990s, when a Total-led consortium began supplying Thailand’s south-eastern Tenasserim district (Kolås, 2007, p. 628). Myanmar is also located at the centre of a major Asian Development Bank-funded, transnational road network which is meant to turn Myanmar into the ‘key link between South Asia and Southeast Asia’ (Florento and Corpuz, 2014; Asian Development Bank, 2010).

The rehabilitation and expansion of Myanmar’s crippled infrastructure is also pivotal to the development of Southeast Asia’s poorest country itself, which became the world’s fastest growing economy in 2016 with an estimated GDP growth rate of 8.6 per cent (IMF, 2016). At first glance, thus, the country appears to fit the view of international investors, depicting it as Asia’s “final frontier” (Parker, 2016). An important point that is generally missed from such geo-economic imaginaries, however, is that the actual frontiers of Asia’s ‘final frontier’ are far from stable. Myanmar’s borderlands are not only the bridge between South, East, and Southeast Asia, they are also home to some of the world’s longest, ongoing insurgencies. Most of these have taken up arms as ethnonational movements against an ethnocratic, post-independence state that failed to guarantee equal rights and autonomy for the variegated mosaic of ethnic minority groups that inhabit its far-flung peripheries.
While the heyday of insurgency in Myanmar has passed, armed conflict persists in many parts these border regions, most of which have escaped state control up until today. In their quest for independence, the larger movements that can command up to several thousand men have established fairly sophisticated quasi-states in their own domains with parallel governance systems capable of generating tax revenue and providing public goods. Many smaller militias also operate on Myanmar’s borders. Some of them fight for the government; others operate as armed criminal gangs (Smith, 1999, pp. 27-100). This complex situation is reflected in the circumstance that the exact number of Myanmar’s non-state armed groups (let alone of their combatants) is unknown and in constant flux. The following, non-exhaustive map demarcates the areas of operation of the most important non-state armed groups in Myanmar (Figure 1).

Figure 1: Non-state armed groups in Myanmar’s borderlands. Ethnic armed insurgency groups are shown in colour while pro-government militias are shown in grey. The map is not exhaustive (Source: Burma News International, 2014, p. 45).
In the grand visions of regional governments and development agencies armed conflict will soon yield to the new geopolitical realities of economic development, regional integration and state consolidation. Southeast Asian states, including Malaysia, Thailand or Vietnam, have indeed long sought to territorialise their own frontiers by ‘developing’ their ethnic minorities with ‘civilising projects’ that combine economic development, educational initiatives, and forced resettlement programmes (Duncan, 2004, p. 7). A similar logic of ‘peace-creating prosperity’ also seems to underpin India’s contemporary Look East policy (Das, 2016, p. 5). A report on India-Myanmar border trade, for instance, states that fostering regional economic integration by way of infrastructure construction is expected to bring peace to India’s own conflict-ridden north-eastern provinces:

Regional economic integration needs to focus simultaneously on both peace and prosperity. This is particularly important for economic regionalism among developing countries. The causality between peace and prosperity runs in both directions. While the obvious narrative has remained where peace precedes prosperity, it may be time that the ‘reverse causality’ is focused whereby enabling condition for economic prosperity is created through economic integration to achieve peace. (Das, 2016, p. 5)

This rationale is deeply rooted in Myanmar whose government has merged economic development with counterinsurgency since the 1990s. Since then the country’s military – the Tatmadaw – has become the main development actor in Myanmar’s restive border provinces, where it heads the ‘Program for the Progress of the Border Areas and National Races Development’. First introduced in 1989, this top-down development programme has later been renamed as the Ministry of Border Affairs. Locally known as Na Ta La, the ministry remains under direct military control despite the semi-civilian transition in other parts of government. Its stated objective is to ‘develop’ ethnic minority regions, mainly through the expansion of physical infrastructure and the state bureaucracy itself (Lambrecht, 2008; Jones 2014).

In addition, Myanmar’s counterinsurgency planners have long used economic incentives in their attempt to pacify ethnic insurgencies. Since the late 1980s, the securitised development programmes with which the Tatmadaw managed to expand into territory formerly off limits were accompanied by bilateral ceasefire agreements with various rebel groups. These pacts allowed insurgents to retain their arms and govern pockets of territory in newly established special administrative regions, most of which were located on the Chinese border. Moreover, the state has granted the leaders of ceasefire groups lucrative business concessions (Smith, 1999, pp. 421-441). Many former rebel leaders have since profited from various ventures – especially mining and logging – and have gradually established close working relationships with their former enemy in what has become known as ‘ceasefire capitalism’ (Woods, 2011; Sherman, 2003, p. 234). The relative stability that followed sparked an unprecedented wave of investment in Myanmar’s northern border areas with China, mostly in natural resources (Buchanan et al., 2013, p. 28).

While Myanmar’s ceasefire politics have ostensibly provided ‘a successful – if crude – tool for conflict resolution’ and state consolidation for many years (Sherman, 2003, p. 246), previous ceasefires at the
Chinese border have broken down since the country embarked on a transition process in 2011. As matters currently stand, government forces are battling a determined alliance of previous ceasefire groups – the Kachin, Kokang and Palaung movements – resulting in heavy losses on both sides and the displacement of up to 150,000 civilians in Shan and Kachin States (Lintner, 2017). This re-escalation of conflict reveals the pitfalls of an economistic reading of political violence and the next section will trace how economic forces have sparked new dynamics of conflict and violence.


To shed light on the non-linear impacts that increased economic transformations have on ethnonational conflict in Myanmar’s border areas, the second part of this paper compares the trajectories of two of Myanmar’s oldest and strongest ethnic armies: the Kachin Independence Organisation (KIO) on the Chinese border and the Karen National Union (KNU) on the Thai border. On the face of it, the trajectories of both groups contradict each other: the KIO was the most important ceasefire movement of the 1990s, seeking for compromise with Myanmar’s generals until the breakdown of its ceasefire in 2011. During these years the KNU spearheaded an increasingly dwindling camp of ethnic armed groups that remained locked in combat with the Tatmadaw despite devastating setbacks. Today this constellation is turned on its head. The KNU champions the nationwide peace process, seeking for active conciliation with Naypyidaw, while the KIO returned back to the trenches, leading a new coalition of ethnic armed groups into battles heftier than any other that northern Myanmar has seen since the late 1980s. While the strategies of both movements seem contradictory from the outside, they were driven by similar processes of organisational fragmentation and internal contestation, both of which are directly related to economic transformations in their respective border regions.

3.1 The Kachin Borderlands

Several factors led to the collapse of the Kachin ceasefire in 2011. Importantly, the state sought to consolidate its presence along the Chinese border by bringing ceasefire movements under direct Tatmadaw control as Border Guard Force (BGF) militias beginning in 2008. The BGF programme aimed to legalise ceasefire groups as militias in exchange for institutionalised subordination to Tatmadaw command (Jones, 2014). After years of ceasefire and elite collaboration, the KIO did not, however, agree to this initiative. In fact, by that time a new rebel leadership had begun already to reject much of its predecessors’ conciliatory stance. After having consented to the 2008 constitution, the KIO now fiercely opposes it, demanding federal reforms and political autonomy for ethnic minority groups instead. The KIO has also started to raise concerns about joint Myanmar-Chinese infrastructure projects in the region, an issue it had silently condoned before. Just before the collapse of the ceasefire in 2011, the new KIO leadership called for an end to the construction of the Myitsone mega-dam in Kachin State in an open letter to China’s then-President Hu Jintao, warning that the project’s impacts on local communities could spark full-blown civil war (Kachin Independence Organisation, 2011).
This was puzzling as individual Kachin leaders have previously collaborated with Tatmadaw frontline commanders as well as foreign and domestic businessmen. For many years since the 1994 ceasefire, the movement’s military strength and revolutionary agendas had seemed permanently in abeyance (cf. Sherman, 2003). To understand why the movement recovered its former resolve, capacity, and popularity, it is necessary to trace the effects which the business arrangements and securitised development agendas of the local elites have had on other elements of the movement. While the rapid expansion of unsustainable resource exploitation (especially jade, teak, and gold) profited individual elites on all sides, it sparked significant organisational fragmentation and internal contestation within the Kachin movement (Global Witness, 2009). Inter-generational grievances – between young and old officers - and inter-organisational divides – between the political and military wing of the organisation - delineated the main fault lines along which an internal opposition materialised in the early 2000s (Brenner, 2015).

This happened because civilian departments in the KIO expanded during the ceasefire years and individual leaders profited, whereas the loser of this transformation was the organisation’s armed wing: the KIA. Whilst its senior commanders capitalised on the ceasefire economy, defections and low morale withered the KIA’s base away. Witnessing their superiors’ self-enrichment, infighting and amicable ties with the Tatmadaw as well as experiencing their own inability to protect Kachin civilians, the morale within the middle and lower ranks of the KIA plummeted. These developments gave rise to a new faction within the KIA, which was comprised of young officers led by Brig. Gun Maw and Gen. Gam Shawng. Ranked in the middle of a top-down military organisation in a strictly age-based traditional society, these young officers were alienated by the rampant corruption of their superiors, from whose sources of power and wealth they were excluded. Faced with the rapid disintegration of their movement, they set out to change this unpromising situation by rebuilding authority among their grassroots support networks (Brenner, 2015, 2017b).

Their efforts were aided by the fact that the Kachin ceasefire did not address long-standing, underlying grievances about ethnic and political marginalisation that has motivated generations of Kachin people to take up arms against the government. In addition, ‘ceasefire capitalism’ created new grievances as the wealth enjoyed by some individual Kachin leaders and crony businessmen did not trickle down to the masses (Woods, 2011). Far from it, the settlement did not mean an end to physical insecurities for many Kachin despite an end to direct warfare. Unsustainable mining and logging rather brought large-scale environmental degradation, land grabs, militarisation, and yet more forced displacement in many areas of Kachin State (Global Witness, 2009, 2015). This planted the seed of new grievances in local communities and the Kachin movement, which were now not only directed against the Myanmar government but also against the old KIO leaders that were perceived to be corrupt. These developments were fertile ground for the emerging faction of young leaders to eventually seize control by rallying against their old guard’s conciliatory stance and remobilising popular insurgency on a large scale (Brenner, 2015).
3.2 The Karen Borderlands
The KNU signed a ceasefire in January 2012. It has since spearheaded the official peace process with the government. In contrast to analyses of Myanmar’s ceasefire capitalism of the 1990s and 2000s, political economy dynamics have featured less prominently in accounts on the Karen ceasefire and other such agreements since Myanmar’s political transition. Indeed, outside observers have mostly interpreted the ‘new wave’ of ceasefire as a direct result of wider political reforms (International Crisis Group 2011; Burke, 2012). A closer look, however, reveals that the Karen ceasefire is dominated by a similar business-like approach to conflict management than previous ceasefires in Myanmar (Ruzza, 2015). This is not least because large parts of the Karen borderlands have witnessed significant commercialisation with regards to resource exploitation, border trade, and infrastructure developments (Brenner, 2017a). While the politico-economic changes on the Thai border were less fast paced during the 1990s than parallel development at the Chinese border, they have become more prominent since the turn of the millennium (Karen Human Rights Group, 2014, 2015). Unsurprisingly then, ‘ceasefire capitalism’ is alive and well. Crony businessmen have, for instance, promoted and financed the ceasefire negotiations between the KNU and Naypyidaw. Agreeable KNU leaders have also been rewarded with business concessions and valuable licenses to import cars from Thailand (Lintner, 2013, 2017).

These new economic realities on the Thai border have severed organisational fragmentation within the KNU and sparked internal contestation between a pro-ceasefire leadership and an internal opposition. In fact, contemporary factional contestation in the Karen movement is directly related to transforming border economies. Most importantly, an ever liberalising regime with Thailand has undercut the rebels’ revenues from illicit border trade. In addition, infrastructure construction and military offensives allowed the state to cut deep inside the KNU’s ‘liberated areas’ (Smith 1999, pp. 99,283). These processes had divergent impacts on the movement, weakening central and southern brigades 4, 6 and 7 in particular. Having previously controlled the main smuggle routes to Thailand, these units lost most of their revenues, territory, military strength and support networks (South 2011, pp. 18-21). In contrast, the northern units of the KNU – brigades 5 and 2 – have remained relatively isolated and emerged as the last stronghold of the Karen insurgency. In comparison to their central and southern comrades, northern KNU rebels have maintained comparatively strong control of territory and close relations with local communities (Brenner 2017a, 2017b).

These developments have, in turn, given rise to two competing factions in the KNU leadership and their diverging strategies towards the state, the movement’s ceasefire and the current peace process. The rapprochement with the government was led by central brigade leaders who sought to compensate for their declining power and authority. Indeed, Gen Mutu Say Poe was previously the leader of Brigade 6 and Vice-Chairman Saw Kwe Htoo Win was KNU District Chairman in the area of Brigade 4 at a time when its units had to give way to a large-scale Tatmadaw offensive along the corridor of the Yadana pipeline in the late 1990s. The internal opposition surrounding former vice-chairperson Naw Zipporah Sein is supported by the movement’s northern brigade. Her main supporter is the group’s Vice-Chief of Staff Gen Baw Kyah Heh, who was previously the long-term leader of Brigade 5 (Brenner 2017a).
Despite losing official leadership positions in the 2017 KNU Congress elections, the internal opposition within the KNU is thus still backed by formidable units of the movement’s armed wing. Importantly, it also draws support from across many local Karen communities and the Karen civil society on the Thai border (Brenner, 2017b). The latter’s position was clarified in an open letter signed by 41 Karen civil society organisations, which expressed distrust in the nationwide ceasefire agreement and the top KNU leadership. It stated that a ‘small group of KNU leaders […] refuse to heed the concerns and voices of other Karen leaders, of civil society organizations, of community groups and the local people whom they claim to represent’ (41 Karen Civil Society Organisations, 2015). These deep internal divisions create significant risks of further fragmentation and hence a collapse of the current ceasefire and peace process.

The reasons why many Karen civilian and rank-and-file insurgents support less appeasing elements within the KNU, despite having borne the brunt of decades-long armed conflict, is strikingly similar to what was observed in Kachin State. Notwithstanding the end of fighting, the everyday lives of many civilians in ceasefire areas are still afflicted by militarisation, forced displacement, and uncompensated land grabs, most often at the hands of army and militia soldiers, who coercively clear the land for mining operations, agro-businesses, infrastructure development, and military facilities (Karen Human Rights Group, 2014, 2015; Karen Peace Support Network, 2014). Coupled with Myanmar’s long history of merging top-down development initiatives with securitised state territorialisation, this has led to a situation where many Karen have come to perceive ‘development as a weapon’.²

4. CONCLUSION AND RECOMMENDATIONS.
This paper has presented a reading of Myanmar’s ethnic conflict against the backdrop of geopolitical transformations in the country’s far-flung border areas, including increased regional integration, economic development and commercial activities. By tracing the impacts of economic forces on local processes of violence, it cautions about overly optimistic visions that view economic development as the panacea for solving the country’s decades-old ethnonational conflicts. To be sure, socio-economic marginalisation interacts with identity politics in driving conflict in Myanmar as elsewhere. That said, economic incentives cannot simply override the deep-rooted political and ethnic grievances of a protracted identity conflict, as is wished for in the development imaginaries of regional governments and development agencies. My findings demonstrate that economic transformation enables crude pacification and partial state territorialisation in borderlands formerly off limits. At the same time, the geo-economic forces at play in Myanmar also instigate new dynamics of armed resistance, particularly by driving processes of fragmentation and contestation within ethnic insurgency movements.

In order to address the shortcomings of current development policies it thus, seems necessary to design more conflict-sensitive development interventions as well as to address the root problems of

². Interview with Karen development practitioner working for a major international development agency, 6 October 2015.
conflict in Myanmar. Instead of top-down, securitised infrastructure construction and unsustainable resource extraction, Myanmar’s government, neighbouring states and international development actors should prioritise the development of regulatory frameworks and implementation mechanisms regarding environmental and labour safeguards in the mining, logging, agro-business, and construction industries. The communal system of land ownership in ethnic minority areas also needs legal recognition against the background of historically missing government deeds and large-scale forced displacement. In addition, an effective public finance system has to tax and redistribute the abundant excess profits made by resource exploitation to the benefits of communities from which this wealth is extracted.³

Most importantly Myanmar’s peace process must address the underlying grievances of ethnic minority communities by building political institutions that allow for effective regional power and resource sharing, cultural and political autonomy, provisions for minority rights, security guarantees to demobilising armed movements, and a security sector reform that subjects the Tatmadaw to civilian control. As elites from all sides have been deeply involved in exploiting the riches of ethnic areas, direct engagement with all warring factions is necessary but not sufficient in this process. In order to break out of the cycle of violence, close collaboration with local civil society is of utmost importance. Its members have fought against unsustainable development and commerce for many years and express deep dissatisfaction with the prevailing economistic outlook of development planners, which ignores that ethnonational conflict is foremost rooted in the denial of separate identities and the aspiration for political self-determination. To conclude with, the following analysis expresses this in the words of local civil society activists from the Karen Peace Support Network:

There appears to be an implicit belief that poverty is a key driver of conflict in the southeast, and that industrial development is therefore the solution. We acknowledge that there are complex relationships between poverty and conflict, but in this case poverty is not the underlying cause. The Karen people’s central demand throughout the conflict has been protection of human rights and autonomy. These demands do not reflect a focus on economics but rather on our right to our culture and control over our own lives, natural resources and land (Karen Peace Support Network, 2014, p. 11).

³. For an excellent discussion on the institutional reform needs of Myanmar’s economy see Gabusi (2015).
REFERENCES.


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