# Advancing Sustainable Development between Conflict and Peace in Myanmar

### MONA CHRISTOPHERSEN AND SVEIN ERIK STAVE



**Cover Photo:** Karen refugee children pay attention during a first-grade math class in Mae La Oon refugee camp, June 21, 2006. © UNHCR/J. Redfern

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### ABOUT THE PROJECT

IPI launched the SDGs4Peace project in 2016 to understand how the 2030 Agenda for Sustainable Development is being rooted at the national and local levels and to support the implementation of the Sustainable Development Goals (SDGs). In its preamble, the 2030 Agenda states, "There can be no sustainable development without peace and no peace without sustainable development." The SDGs4Peace project asks how countries are operationalizing this link in practice to realize the 2030 Agenda's holistic vision.

The project focuses on five case studies: the Gambia, Greece, Guatemala, Lebanon, and Myanmar. Each of these case studies is based on fieldwork, including interviews with representatives of governments, the private sector, academia, and civil society. While these countries are at different levels of development, each is going through a period of internal transformation. Implementation of the 2030 Agenda therefore provides them an opportunity not only to buttress existing aspirations but also to build new partnerships that transcend traditional approaches.

As many countries are only just starting to implement the 2030 Agenda, this project also presents an opportunity to spread the word about the SDGs and why they matter to local leaders and communities. By bridging the local with the global, it can highlight ways of working toward shared goals and adapting them to specific contexts.

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Different views are presented and analyzed to the best of our ability, yet we take responsibility for any misunderstanding and incoherence in the report.

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### **Executive Summary**

In recent years Myanmar has gone through fundamental changes due to the reforms implemented by the governments of Thein Sein and Aung San Suu Kyi. This transformation provides Myanmar with a unique opportunity to build a peaceful and inclusive society and advance on the path to sustainable development and peace. Yet Myanmar remains submerged in conflict and lacks national consensus on the future of the state. These disagreements fall along three main fault lines: the Bamar majority population represented by the central government, ethnic-minority groups that have signed cease-fire agreements with the government, and ethnic-minority groups that are still in conflict with the government. Perspectives on issues of peace and development vary among these categories of stakeholders, as do their opportunity and ability to implement and engage with the 2030 Agenda for Sustainable Development and its seventeen Sustainable Development Goals (SDGs).

These fault lines underscore the centrality of the nexus between peace and sustainable development to Myanmar's implementation of the 2030 Agenda. Achieving this agenda will require a conflictsensitive approach that includes assessing the potential impact of development initiatives on conflict and on peace by analyzing both factors that could promote unity and drivers of particular conflicts. While the government has embarked on the process of implementing the 2030 Agenda, implementation is more relevant for the central areas of the country were the majority Bamar population lives. In contrast, the goals are more difficult to implement and, to some extent, less relevant in ethnic-minority areas, particularly those affected by ongoing armed conflict. The divergent perspectives among these three groups manifest themselves across many areas of sustainable development.

Myanmar's central government sees clear links between poverty reduction and peace. In reality, however, processes generating poverty and driving conflict are often complicated and include complex structures of privilege and exclusion combined with local and traditional ways of organizing social, political, and economic life. As a result, the government's efforts to reduce poverty might not reduce levels of conflict as intended. Many ethnicminority leaders, on the other hand, see sustainable peace and stability as the most important and effective way to improve the quality of life for their people. However, peace agreements do not automatically improve opportunities and livelihoods.

Decentralization is another contested subject in Myanmar. For the central government, decentralization entails delegating authority to a state minister and local state institutions appointed by the central government and operating as an extension of its authority. Local ethnic-minority leaders, however, understand decentralization as delegating decision-making authority to more autonomous and preferably elected local governance bodies, giving ethnic minorities a measure of self-determination. This touches upon one of the most challenging dilemmas facing the future development of the country: how to combine building a common national identity with allowing for cultural and political diversity.

One area in which the government's decentralization policy aims to give local stakeholders more authority is the management of land and resources. This is particularly important because many of Myanmar's natural resources are found in ethnicminority areas where the government does not have full control and where local land policies often differ from those of the central government. Here again, the goals of the central government and ethnic-minority groups differ. The government is promoting large economic development projects that would generate revenue but also exacerbate ecological destruction and displacement. Similar tensions arise when it comes to addressing Myanmar's electricity shortages, which the central government is seeking to address through large hydropower projects that would adversely affect the local environment and people.

Education, which Myanmar's government is addressing through a new strategy adopted in 2012, can be a driver of both cohesion and conflict in Myanmar. Nationwide, the country faces challenges in improving access to and the quality of education. These challenges are particularly pronounced in areas where people do not speak Bamar, the language of the ethnic majority. When the central government establishes new schools in ethnic-minority areas in an effort to enhance development, some locals fear it is a form of colonization, which can drive conflict. Nonetheless, the cooperation between the central government and ethnic-minority groups in designing the education system in Mon state can serve as an example of how education can also build peace and social cohesion.

As part of its broader transition, Myanmar has rapidly shifted from a state-centered economy toward a more open, market-oriented economy. One of the government's strategies to make this transition has been to form public-private partnerships, particularly related to infrastructure. These partnerships are often challenging, however, as Myanmar has a complex regulatory framework and a history of corporate social responsibility being used as an instrument of corruption. Partnerships thus need to be developed through a conflictsensitive approach to ensure they promote inclusive economic growth and fulfill the 2030 Agenda's promise to "leave no one behind."

The government of Myanmar has made impressive progress since its adoption of the 2030 Agenda, which already underpins the work of all relevant ministries, many of which have developed concrete plans intended to work toward the SDGs. Yet this work primarily represents the vision of the central government. A more challenging task is to create synergies between the work on the SDGs and the visions for peace and development of ethnicminority groups, including the Rohingya, which is currently the country's most persecuted group. Advancing on both sustaining peace and the 2030 Agenda will require addressing more systemic and cross-ministerial challenges. The following are general recommendations to address these challenges:

- 1. Continue the development of national laws and regulatory frameworks according to international standards and national needs.
- 2. Use SDG-related development initiatives to promote inclusion and to re-establish trust in national governance, particularly among ethnic-minority groups.
- 3. Continue to develop governance capacity.
- 4. Ensure a balance between economic growth and environmental sustainability.
- 5. Bring sustaining peace into the SDG agenda.

6. Ensure a cross-ministerial approach to the SDGs.

### Introduction

Since Myanmar's independence from Britain in 1948, the country's government has been fighting both political and ethnic rebellions. While the political insurgencies weakened over time, ethnic groups continued to fight for self-determination. The ethnic groups claim some degree of autonomy to preserve their identity and cultural heritage, as well as control over land and valuable resources. The conflict is complex and multifaceted, with many armed ethnic groups engaged in separate and parallel conflicts, which is complicating governance as well as prospects for peace agreements.

After decades of military rule, the first election in Myanmar in nineteen years was held in 2010. However, the party of opposition leader Aung San Suu Kyi, the National League for Democracy (NLD), did not participate in the election, and the military-supported Union Solidarity and Development Party (USDP) won 77 percent of the seats in parliament and formed a civil government in March 2011. Despite its contested legitimacy, the new government, led by President Thein Sein, implemented democratic and economic reforms and adopted a conciliatory approach toward the opposition and its leader. The government also initiated a peace process with the ethnic armed organizations, ordered the release of political prisoners, and eased restrictions on media and civil society, while the international community supported the process and lifted economic sanctions.

Although challenges remain, particularly related to the military's willingness to move beyond limited reforms toward real constitutional changes that would reduce its guaranteed position of power, the positive developments nevertheless convinced the NLD to participate in national politics, including the 2012 by-elections and the 2015 general elections. After a landslide victory that took many in the military and others by surprise, the NLD won a majority in parliament and formed the current government under the de facto leadership of Aung San Suu Kyi. Yet most ethnic-minority parties were marginalized in the process, and the military is still constitutionally guaranteed 25 percent of the parliamentary seats and control over some strategic ministries.

The reform processes and transition from military rule toward democracy provide a historic opportunity for Myanmar to build a peaceful and inclusive society and advance on the path to sustainable development, a path that several interviewees claimed the country's leaders had embraced. Yet it is important to consider that Myanmar remains submerged in conflict and lacks national consensus on state formation and the future of the state. These disagreements fall along three main fault lines separating different groups, or "categories,"1 with particular perspectives or visions for how the country should be organized and developed. These categories and visions emerge from many different groups' specific historical and formative experience with conflict as well as these groups' relations to the central government. The three categories of stakeholders can roughly be outlined as follows:

- The Bamar majority population represented by the central government, mainly living in the central lowlands of Myanmar. Their vision for Myanmar mainly focuses on building peace and keeping the union of states together as a nation. However, the central government is not currently a unified force in Myanmar due to the weak relationship between the democratically elected government and the military, which still has significant political and economic power.<sup>2</sup>
- 2. Ethnic-minority groups that have signed ceasefire agreements with the government under what is called the Nationwide Ceasefire Agreement (NCA), mainly living in the hilly areas in the southeast of the country. Their vision for Myanmar is a confederate state that gives the ethnic states some degree of autonomy and control over natural resources.
- 3. Ethnic-minority groups that are still in conflict with the government and have not signed the NCA, mainly living in the northern and western hills of the country. These groups demand

autonomy and self-determination, which are not yet included to their satisfaction in the current negotiations for cease-fires.

As a result, perspectives on issues of peace and development vary among these categories of stakeholders, as do their opportunity and ability to implement and engage with the 2030 Agenda for Sustainable Development and its seventeen Sustainable Development Goals (SDGs). The 2030 Agenda is most easily implemented in the Bamarmajority areas where the central government and local population largely share visions for development and the future of the country.

In the areas covered by the cease-fire agreement, implementation of the 2030 Agenda is somewhat possible, because development is welcome in principle and increasingly possible because of improved stability under the cease-fire. However, as long as issues around autonomy and selfdetermination remain unresolved, development initiatives will continue to be met with frequent suspicion, as locals often question the motives behind government-led initiatives. Such obstacles can be resolved through inclusive and consultative processes that allow local involvement in the design and implementation of these initiatives.

In the areas not yet covered by cease-fires, implementation of the 2030 Agenda remains very difficult to implement. Lack of security impedes planning and strategy formulation on a larger scale and limits development actors' access to conflict areas. Further, should projects be implemented in these conflict-affected areas, they would be highrisk and vulnerable to disruption and destruction.

Yet the wide-ranging political and economic reforms introduced since 2011 make Myanmar a particularly interesting case for studying the implementation of the 2030 Agenda, as the transition sheds light on some of the core issues facing sustainable development efforts more broadly. One challenge is whether transition toward a market economy can be reconciled with sustainable development. A related issue is environmental challenges, particularly forest degradation. Further,

<sup>1</sup> The term "category" is more accurate in this context because the term "group" indicates some degree of belonging and self-definition, which is absent. Instead, the focus here is on a vision loosely shared between different groups that otherwise have little in common. However, they do have a "stake" in how Myanmar is developed, and therefore the term "stakeholders" will also be used in reference to the individuals within these categories for the purposes of this report.

<sup>2</sup> The military often prioritizes what it defines as security over democratic development and thus impedes the government's ambitions and ability to pursue both democratic and peaceful development.

land rights are of particular concern in Myanmar, as land is frequently confiscated for development projects with little or inadequate compensation. Another key dilemma is the relationship between new forms of economic development and outdated regulatory frameworks and governance structures. The challenges of the country reflect the need to implement integrated policies within the mindset of the 2030 Agenda, which commits to "leave no one behind" and to make every life count.

Myanmar ranks number 145 out of the 187 countries on the Human Development Index despite rapid, stable economic growth in recent years and substantial foreign investment.<sup>3</sup> Current challenges facing the country relate to most of the SDGs, including the need for inclusive economic growth (SDG 8), an end to poverty (SDG 1), improved infrastructure (SDG 9), greater employment opportunities and a regulated labor market (SDGs 8 and 16), increased access to better-quality education (SDG 4), stronger government institutions (SDG 16), gender equality (SDG 5), reduced inequality (SDG 10), and promotion of inclusion and human rights (SDG 16).

Developing governance based on the rule of law and democratic principles is another important task for the current government. After decades of authoritarian governance, there is a need to transform the legal system. The attorney-general's office is responsible for drafting new laws and providing legal advice to the government on all matters that require legal scrutiny, including education, health, gender equality, and economics. A law on environmental protection was formulated in 2011 by the newly established Ministry for Environmental Protection and passed the following year. Myanmar has also developed investment laws to adapt to a market economy. Another key challenge is the inclusion of Myanmar's 135 officially recognized ethnicminority groups.<sup>4</sup> The Bamar (Burman) majority makes up about two-thirds of the population, primarily resides in the central parts of the country, and is the most politically influential group. The remaining ethnic-minority groups mainly reside in the hilly and resource-rich border areas where many of them are engaged in decades-long struggles for greater autonomy and self-determination.

There are growing concerns about the rights of certain minority groups, particularly the Rohingya Muslims, a people numbering around 1 million and living mainly in Rakhine state bordering Bangladesh, where many more live as refugees.<sup>5</sup> The latest surge of violence in Rakhine state began during the summer and fall of 2017, following the "August 25<sup>th</sup>" incident where the Arkan Rohingya Salvation Army (ARSA) attacked army and police outposts. Shortly thereafter, reports of the armed forces of Myanmar raiding and burning Rohingya villages started to emerge, claiming that as many as 600,000 Rohingya had been forced to flee the country in search of refuge in neighboring Bangladesh and beyond.<sup>6</sup>

The government's failure to protect this minority group has provoked concern among international actors, including the UN. In February 2017 the UN published a report that found that government troops "very likely [committed] crimes against humanity" since renewed military crackdowns on the Rohingya began in October 2016.<sup>7</sup> Another UN report released in September 2017 claimed that the latest attacks on the Rohingya were part of a systematic plan not only to drive them from their homes, but also to prevent them from returning to Myanmar.<sup>8</sup> International pressure has led to

<sup>3</sup> UN Development Programme (UNDP), Human Development Report 2016, available at http://hdr.undp.org/en/countries/profiles/MMR.

<sup>4</sup> This number is contested by many ethnic groups that claim it is the result of a strategic decision by the military government rather than a reflection of realities on the ground. Some ethnic groups claim to be miscategorized, and others claim to be purposefully excluded. The government's failure to publish ethnic data from the 2014 census has further fueled skepticism of these public figures. Some ethnic-minority leaders interviewed for this project said that official definitions of ethnic groups were a result of the army's divide-and-rule policies because they do not follow important markers of group identity such as language, religion, or sense of belonging to a group.

<sup>5</sup> These numbers are disputed; the Rohingya lost their Burmese citizenship in 1982 and have since faced political persecution, resulting in repeated violent conflicts.

<sup>6</sup> Geoff Curfman, "ICC Jurisdiction and the Rohingya Crisis in Myanmar," Just Security, January 9, 2018, available at www.justsecurity.org/50793/icc-jurisdiction-rohingya-crisis-myanmar/; Sergio Peçanha and Jeremy White, "Satellite Images Show More Than 200 Rohingya Villages Burned in Myanmar," New York Times, September 8, 2017, available at www.nytimes.com/interactive/2017/09/18/world/asia/rohingya-villages.html?smid=pl-share.

<sup>7</sup> UN Office of the High Commissioner for Human Rights (OHCHR), Flash Report: Interviews with Rohingyas Fleeing from Myanmar since 9 October 2016, February 3, 2017, available at www.ohchr.org/Documents/Countries/MM/FlashReport3Feb2017.pdf.

<sup>8</sup> OHCHR, Mission Report of OHCHR Rapid Response Mission to Cox's Bazar, Bangladesh, September 13–24, 2017, available at www.ohchr.org/Documents/Countries/MM/CXBMissionSummaryFindingsOctober2017.pdf.

negotiations for repatriation of the refugees, and on November 23, 2017, an agreement was signed between Myanmar and Bangladesh to begin the return of some Rohingya.<sup>9</sup>

The continued persecution of the Rohingya has caused new criticism of the country's political and military leaders and calls for accountability for the alleged atrocities.<sup>10</sup> The violence against and massive displacement of the Rohingya is putting Myanmar at risk of being isolated once more. How this crisis is managed and resolved will have an impact on the process of state building as the country undergoes its democratic transition, as well as on peace and sustainable development.

All of Myanmar's governments since independence in 1948 have claimed to make building peace and unity among different ethnic groups a priority, though their understanding of how to do this has varied considerably. President Thein Sein's government agreed on bilateral cease-fires with fifteen armed groups between 2011 and 2013, which created optimism for a nationwide cease-fire agreement planned to ensue in 2015. Yet concerns about inclusivity and other political factors caused only eight groups to sign the nationwide agreement in October 2015.<sup>11</sup>

When Aung San Suu Kyi took power in 2016, she and her administration made the peace process their top priority and secured support from nearly all the ethnic armed groups in a process called the 21<sup>st</sup> Century Panglong Conferences. They did this by making the process inclusive, being willing to address the root causes of the conflicts, and aspiring to build a federal democratic union for all people in Myanmar. The first Panglong conference took place in August 2016 and signified an important step forward because of its broad inclusion of ethnic armed groups.<sup>12</sup>

However, this is only the start of a long and difficult political process, and fundamental

challenges remain, such as how to organize the federal state, how to share public revenues, and the future status of arms and armed groups. Disagreements over these issues fall along the lines between the categories of stakeholders representing the three contradictory visions for the future of Myanmar outlined above. The weak partnerships between the civil government and military further complicate this picture, as do ongoing conflicts and violent clashes between government forces and ethnic armed groups, which have recently occurred in several states, including Shan, Kachin, and Rakhine.

The second Panglong conference took place in the country's capital after a three-month delay in May 2017. Expectations were low ahead of the dialogue, particularly as many central stakeholders did not attend, because they had either been excluded by the organizers or refused to participate. Yet a last-minute deal facilitated by China brought on board more ethnic armed groups than initially expected, and an agreement was reached on the principles for a peace agreement based on a federal democracy. Still, there are several unresolved concerns for the negotiations ahead.<sup>13</sup>

The nexus between peace and sustainable development will be central to Myanmar's implementation of the 2030 Agenda. Achieving this agenda will require a conflict-sensitive approach that includes assessing the potential impact of development initiatives on conflict and on peace by analyzing both factors that could promote unity and drivers of particular conflicts. Almost sixty years of authoritarian rule and years of international isolation have made Myanmar relatively unprepared for the political opening and rapid change that started in 2011. Despite significant preparation by the military, including a quick upgrade of laws, regulations, and operational frameworks, ways of thinking and doing things

www.hrw.org/news/2017/11/01/how-long-will-un-security-council-be-missing-action-burma.

<sup>9 &</sup>quot;Myanmar Says Temporary Camp Will House 30,000 Rohingya Targeted for Repatriation," Reuters, January 15, 2018, available at

www.reuters.com/article/us-myanmar-rohingya-bangladesh/myanmar-says-temporary-camp-will-house-30000-rohingya-targeted-for-repatriation-idUSKBN1F40SF.
10 At the time of writing this report, a UN resolution condemning the violence was in the process of being drafted. See Philippe Bolopion, "How Long Will UN Security Council Be Missing in Action on Burma?," Human Rights Watch, November 1, 2017, available at

<sup>11</sup> International Crisis Group, "Myanmar's Peace Process: Getting to a Political Dialogue," Crisis Group Asia Briefing no. 149, October 19, 2016, available at www.crisisgroup.org/asia/south-east-asia/myanmar-s-peace-process-getting-political-dialogue.

<sup>12</sup> Some call this the second Panglong conference, as former President Thein Sein organized a previous one shortly before he left office in 2016. That conference, however, was poorly attended by the armed ethnic groups in contrast to the conference of August 2016.

<sup>13</sup> S. Chandrasekharan, "Myanmar: Panglong Conference—Mixed Results?," Sri Lanka Guardian, June 23, 2017, available at www.slguardian.org/myanmar-panglong-conference-mixed-results/.

remain a challenge for modernization and for achieving the SDGs.

The 2030 Agenda takes a holistic and multidimensional view of peace. It includes peace not only as a separate goal in SDG 16, which calls for the promotion of peaceful, just, and inclusive societies, but also as an issue cutting across all of the seventeen goals. It is thus an enabler that will drive the achievement of the entire agenda. The 2030 Agenda and subsequent resolutions on sustaining peace adopted by the UN Security Council and General Assembly provide broader а understanding of peace. The report of the Advisory Group of Experts of the UN's peacebuilding architecture conveys how peacebuilding has traditionally been "left as an afterthought: underprioritized, under-resourced, and undertaken only after the guns fall silent."14 In the 2030 Agenda and sustaining peace resolutions, peace is a continuum, built every day by all, and its drivers need to be constantly reinforced.

Member states of the United Nations adopted the following definition of sustaining peace in April 2016:

[It] should be broadly understood as a goal and a process to build a common vision of a society, ensuring that the needs of all segments of the population are taken into account, which encompasses activities aimed at preventing the outbreak, escalation, continuation and recurrence of conflict, addressing root causes, assisting parties to conflict to end hostilities, ensuring national reconciliation and moving towards recovery, reconstruction and development.<sup>15</sup>

This resolution addresses core challenges for Myanmar with its divided vision for future development and state formation. Yet Myanmar is at a turning point as it approaches a peace process aiming to build a common vision for all people in the country. A sustaining peace approach could



Figure 1. The seventeen SDGs

14 United Nations, Letter Dated 29 June 2015 from the Chair of the Secretary-General's Advisory Group of Experts on the 2015 Review of the United Nations Peacebuilding Architecture Addressed to the Presidents of the Security Council and of the General Assembly, June 29, 2015, available at www.un.org/en/peacebuilding/pdf/150630%20Report%200f%20the%20AGE%20on%20the%202015%20Peacebuilding%20Review%20FINAL.pdf.

15 UN General Assembly Resolution 70/262 (April 27, 2016), UN Doc. A/RES/70/262.

benefit the country in addressing delicate and challenging matters concerning federalism, autonomy, and self-determination for the country's many ethnic groups, including management of natural resources. This approach could further help ensure that partnerships forged with large foreign investors benefit all people in

### METHODS AND LIMITATIONS

Myanmar.

This report is based on the findings of an eighteenday field study in Myanmar in May and June 2017, during which mostly semi-structured interviews were conducted with a variety of sources involved in planning, implementing, and analyzing Myanmar's approach to the 2030 Agenda. Aiming for a wide variety of sources, interviews were conducted with government officials in different ministries, senior officials from various UN agencies, and representatives of NGOs, civil society groups, and the private sector. While most interviews were conducted in the administrative capital, Naypyidaw, and the commercial capital, Yangon, the methodology was designed also to include views from the "periphery" of the country outside of these centers. For this purpose we went to Hpa-an, the capital of Kayin state, where we could meet with ethnic Karen leaders and others involved in development and peacebuilding.

Myanmar's ongoing conflicts, unfinished state formation, and lack of a common vision for the future of the state have produced the three main visions outlined in this report. The main categories of stakeholders representing these visions are the government and the majority Bamar population, ethnic groups in cease-fire agreements with the government, and ethnic groups still engaged in armed conflicts with the government. With no access to conflict zones, groups representing the latter vision could not be interviewed for the study. Further, we could not cover all the ethnic groups in such a vast and complex country. As a result, the research was unable to capture the views of many important actors, a significant limitation considering the comprehensive nature of the 2030 Agenda. This report is thus a preliminary assessment of a long-term, ongoing process, not a

complete evaluation.

The methodology used in the interviews was to take a holistic view of the 2030 Agenda by focusing on how Myanmar is starting to integrate the SDGs into its approach to development. Further, instead of examining separate goals, the focus was on mapping the priorities and linkages across the SDGs and their targets. The project also took a constructive approach, focusing on what the country has achieved so far in the sustainable development process and where its main challenges lie. Further, the research seeks to determine whether there is learning potential for other countries struggling with similar dilemmas.

# Sustainable Development and Peace

Over the last five years Myanmar has gone through fundamental changes due to the reforms implemented by the governments of Thein Sein and Aung San Suu Kyi. This transformation provides Myanmar with a unique opportunity to advance both sustainable development and sustaining peace. The main challenge for Myanmar, however, is that it is not yet peaceful, although some progress has been made on the peace process. The country continues to experience numerous internal conflicts and lacks consensus on a vision for the future of the state. The three main categories of stakeholders outlined above, each with a unique historical and current experience of social organization, governance, and conflict, have different perspectives on state formation, peace, and development. This will have implications for how they approach implementation of the 2030 Agenda, where they see opportunities, what they define as challenges, and how they address such challenges.

The first category is the Bamar majority population and the central government.<sup>16</sup> As the formal authority in the country, the central government enjoys a high degree of legitimacy due to the support it received in the elections. The government relates to peace and development primarily through formal institutions and processes, such as

<sup>16</sup> In our analysis the military is included in this group as part of the formal power in the country, despite its weak partnership with the civil government and its sometimes conflicting interests with and independent actions vis-à-vis civilian parts of the government.

the Panglong peace conferences and relevant ministries. The government will also work to meet the obligations it has signed up to through formal international channels and will report on progress on these obligations to relevant UN agencies. In the Bamar majority areas, the government can develop plans and priorities and implement development policies in line with the SDGs because it enjoys a high degree of trust among the Bamar majority, and mainly shares their vision for the future of a developed and more prosperous Myanmar.

The second category includes ethnic-minority groups that have signed cease-fire agreements with the government, such as the Karen National Union in Kayin state (which was visited during the fieldwork for this report). Due to the cease-fire agreement with the government, these areas are more peaceful and stable than before, and development is therefore possible to some extent. Yet there continues to be a lack of trust between the ethnic leaders and the central government. Ethnic groups and their leaders are apprehensive of the government's motives as it gains control and influence over ethnic areas. Some ethnic leaders fear that development is used by the government as a subtle form of occupation instead of a process supporting their vision of autonomy and a federal state. This lack of trust is preventing development. Thus, although it is possible to use the SDGs to consolidate a fragile peace process, this has not happened. The reality on the ground indicates that both peace and sustainable development need a fundamentally different and more inclusive approach to succeed. The key factor here is trust-trust between the central government, local government representatives, and local ethnic leaders and communities. This trust is fundamental to comprehensive and sustainable development.

The third category is found in the conflictaffected areas in the north of Myanmar, particularly in Shan and Kachin states. Many of these areas are beyond the reach of the central government, which cannot work on sustainable development in them as long as they are controlled by competing ethnic authorities. Similarly, in Rakhine state, which is experiencing violent clashes between Rohingya insurgents and military forces with devastating consequences for the civilian population, development is particularly difficult, if not impossible. In all conflict-affected areas, peace and stability are the minimum prerequisites for development. The government and international development actors can only gain access when they are offered some degree of security and stability from all the involved armed actors. This is a particular challenge for the aim of "leaving no one behind," which is a core value underpinning all the SDGs.

To recapitulate, although the government of Myanmar has ambitions to bring peace and sustainable development to all parts of the country, it only has full authority and access to do so in the central areas of the country where the majority of the population is Bamar. The areas covered by cease-fire agreements need sustainable development to maintain a fragile peace, but lack of trust prevents effective interventions, whereas in the conflict-affected areas, peace is a prerequisite for starting to implement development initiatives.

Illustrating the different views on peace and development among these three categories of stakeholders, local leaders in Kayin state agreed that Myanmar has seen fundamental changes in recent years but emphasized that the most important change to them is that international organizations have brought development to their communities. Yet they think that much still needs to improve: "Many community development aid [programs] are coming, but even these international organizations, they wait and see, because they need a very strong peace."<sup>17</sup> This community leader suggested that sustainable peace, greater stability, and a more predictable security situation had to come before the government and aid agencies could seriously develop infrastructure and improve livelihoods for the local people.

The community leader saw a connection between challenges for development in ethnic areas and lack of trust of the central government, amplified by the unpredictable outcome of an eventual peace agreement. It is still not clear what a federal state will look like and how much autonomy the ethnic leaders will be granted in a future agreement. In this context of uncertainty, local leaders do not trust the government, for example, to develop their infrastructure:

Most of the people in the community, their livelihood is agricultural, so we need more support in this sector. Then it will be more sustainable and benefit us in the long run.... So they are already starting the pilot projects, for example, clean water and sanitation. And I think the infrastructure will be the last it will come after peace.<sup>18</sup>

It is not easy to create the trust needed to build infrastructure after decades of war and military rule, even with a new government, and particularly when parts of the country continue to experience war. Contributing further to mistrust is the fact that the military governance structures remain in place, with the military still controlling key parts of the government, giving it more power than its share of government positions suggests.

Further, people in conflict-affected Karen communities have lived through the world's longest civil war and a military dictatorship for more than fifty years. This has basically taught individuals to keep their mouths shut in order to survive. People have not been encouraged to be politically active and to voice their concerns; on the contrary, political activity remains illegal, and for the most part people continue to avoid political engagement. That is not to say that people are not politically conscious, but rather that they have to engage with politics in a different way than they would in an open, more democratic society.

As a result, when the peace process and the implementation of the 2030 Agenda call for inclusion and active citizenship, many people in Myanmar think it has nothing to do with them. The peace process is considered to be something going on between the armed groups and the government, while development is considered to be something done by development actors. So when government representatives try to invest in community development, such as community forestry initiatives, people in local communities often lack the tools and experience needed to identify and mobilize around their own concerns. Nonetheless, the experience of "land grabs" for development purposes has raised awareness of the negative impacts of development practice in some

communities, such as in villages affected by the industrial economic zone in Thilawa, south of Yangon. In Thilawa, the community organized to stand up for their rights and call for fair compensation (see Box 1).

Further, a growing civil society sector wants to participate in the peace process but is striving to find a space. Civil society organizations thus feel excluded from the process, even though the government has aimed for inclusiveness. Inclusion has tended to focus on the armed actors or the warring parties, while other groups with a stake in the future peace deals continue to be excluded.

During wartime, official service delivery often breaks down quickly, compelling other actors to fill the gap by providing services to the affected populations. For the Karen people in Kayin state, it was the Karen National Union (KNU) that took on this role. The Karen communities used to receive support from across the border in Thailand. This aid was channeled through Karen organizations, allowing them to provide basic services to people in areas under rebel control. A local leader elaborated:

KNU is probably the most developed [ethnic organization], but [there are] different ethnic organizations who are seen to have a fairly strong degree of legitimacy in the eyes of the people. They have in their systems service providers who are doing ... what you might call development. And they want to be able to continue to sustain those systems and to provide service to their communities. And in some areas, like Hpapun, in the Brigade Five area of the KNU, development coming from the government is seen as a threat. It is not that development is good and therefore will bring us peace. It is: they are supporting a school here—oh, it is a government school. So there will be issues around language of instruction and whether it is the education these people want, given narratives of identity issues in the conflict. And the school is the first thing. Then they will set up a police post there, and they will build a road to the school, and the next thing there are military barracks-and now we [the Karen] have lost our military autonomy in this territory.19

When there is a cease-fire, it is far from a peace agreement, which is one reason some KNU leaders perceive development coming from the government as a threat to their authority. They see it as a

<sup>18</sup> Personal correspondence with government official, August 2017.

<sup>19</sup> Interview with local leader, Hpa-an, Myanmar, June 5, 2017.

military strategy by the army to increase its influence and to decrease the influence of the ethnic armed organizations, which will make them more vulnerable should the conflict start again. For this reason, ethnic-minority leaders claim it to be of paramount importance for them to continue their role as service providers in areas under their control or where they have influence. Despite the cease-fire agreement, they feel obliged to uphold their commitment to their people; otherwise they fear being seen as facilitators of Bamar colonization. Failing to secure the needs and serve the interests of their people has consequences for their position and authority, which is why development in Myanmar is interlinked with the overall political process and cannot be treated as a separate issue.

Government officials in Naypyidaw interviewed for this project impressed us with their knowledge and eager efforts to make progress on both development issues and the peace process. They spoke of inclusiveness, nondiscrimination, decentralization, and environmental protection. Yet they did not make the link between sustainable development efforts and the peace process in a significant way. For them the peace process is essentially what happens at peace conferences, particularly the Panglong conferences, which are basically a dialogue among armed actors that excludes other stakeholders.

For this reason, many see the inclusiveness in the peace process as a hollow commitment. Although there are many social issues to be discussed in the peace process, they have not yet been brought to the core of the dialogues but remain on the periphery of negotiations. Development, on the other hand, is mainly seen by these government officials as social service delivery that can be handled outside the political process. It focuses on "the need of the people" from a social perspective, disregarding the political context and the need for people to be included in decision making on matters that directly affect their lives.

This inability to look holistically at peace and development and consider how they are mutually interlinked and dependent on each other to create a process that moves both areas forward is a challenge for Myanmar. Achieving sustainable peace is a long-term process that goes beyond peace negotiations among armed actors and development projects in destitute regions and areas. The core aim of this investment is to build trust among all the different people of Myanmar and the leaders who are supposed to represent them and serve their best interests. There is no quick fix to achieve this trust; it has to be built step by step through conscious policies that give people the experience of being included instead of left behind. Governance based on the rule of law, inclusion, transparency, and the accountability of state institutions is required, as called for in SDG 16. These are all important elements needed to build long-term trust. Likewise, analysis of the impact of political decisions and economic investments on society, the environment, and conflict will further strengthen a sense of inclusiveness and trust.

# Implementation of the 2030 Agenda in Myanmar

# THE SDGS AS A NATIONAL DEVELOPMENT TOOL

In Myanmar, the statistics department in the Ministry of Planning and Finance serves as a focal point and coordinating body for implementation of the 2030 Agenda in the country. The rationale is that statistics are crucial for monitoring progress on the SDGs, which will facilitate formulation of targets and timelines according to available resources. Reflecting this systematic approach, representatives from several ministries and from civil society organizations interviewed for this project demonstrated a high level of knowledge of the SDGs. This fact was also reflected by a large SDG poster on the wall of one of the ministries' meeting rooms. An official remarked that the poster "is to remind us about our duty to meet all these goals."20

During its time in power, beginning in 1962, Myanmar's military regime kept the country increasingly isolated due to international scrutiny of its oppression of any form of opposition. This eventually led to economic stagnation. Further, the US and other countries imposed sanctions when the military regime failed to recognize the results of the 1990 elections. Years of diplomatic and economic isolation from the West left Myanmar behind in development, while the rest of Southeast Asia was modernizing rapidly. When Cyclone Nargis hit Myanmar in 2008, the government reluctantly allowed access to international relief assistance, but the country still did not fully adopt international development agendas before 2011.

Today, Myanmar is a signatory to all the main international commitments relating to development, including the 2030 Agenda. Domestic policies and plans are developed with strong references to these commitments. By taking part in international development efforts and agreements, the government seems to be motivated by the desire to build international relations as well as to ensure sustainable development at the national level.

Many of Myanmar's existing national development policies and plans predate the SDG framework due to political changes starting in 2011 and would have been implemented regardless of the 2030 Agenda. Yet representatives from several ministries claimed that the SDG framework is useful for Myanmar, particularly for planning and strategy purposes. One official representative noted,

I think the goals are very useful for us because these goals are global goals, and also we can know what other countries are doing and what the world is doing...and it is a real implementation. People have different ways to implement the SDGs, but the main things are that the...seventeen goals are the same for the other countries.<sup>21</sup>

This universality gives the goals a fundamental legitimacy that the national actors find useful. Officials also claimed that the goals' requirement to be inclusive encourages more collaboration among ministries than before. It also requires them to work more closely with local stakeholders at different levels of the administration as well as with civil society actors.

Myanmar's implementation of the 2030 Agenda began with a gap assessment report, which was implemented with support from the UN Development Programme (UNDP). As of May 2017, the Ministry of Planning and Finance had organized three SDG-awareness seminars to which they invited multiple stakeholders from government departments, ministries, the private sector, academia, and civil society. They also held thematic SDG workshops to which they invited targeted stakeholders. For example, one seminar focused on how different goals relate to children. Based on these discussions, they have developed a five-year national plan for both health and education. There are also ongoing discussions to develop a national social protection plan as well as an environmental conservation plan, or a "green strategy" for Myanmar.

The SDGs are comprehensive and complex, creating a particular challenge for countries like Myanmar that need to develop every sector referenced in the seventeen goals. While it is impossible to do everything at once, all government representatives interviewed said that prioritization was a challenge, particularly when resources are scarce. They were conscious that they not only lacked economic and technical resources but also faced challenges in developing their human resources. With regard to natural resources, much of the country's reserves are already depleted. Therefore, the focus is instead on resource management and restoration.

Government representatives acknowledged that the link between peace and sustainable development is important to an effective and comprehensive strategy for planning and implementing the 2030 Agenda. For this reason, they have developed what they call a people-centered and inclusive strategy cutting across regions and ethnic groups. This strategy emphasizes the importance of taking into consideration all of these groups' different needs and demands in order to promote peace and stability, which they see as a requirement for development.

Yet in Kayin state, local leaders and NGO representatives claimed to have seen little of this inclusiveness and decentralization in practice. Instead, they claimed that most decisions, including those related to the SDGs and development, were still being made centrally in the capital. This grievance is closely linked to unresolved

<sup>21</sup> Interview with government official, Naypyidaw, Myanmar, May 22, 2017.

privilege and exclusion combined with local and traditional ways of organizing social, political, and economic life. Regardless, the government of Myanmar sees poverty as a core factor contributing to the conflicts in the country and focuses much of its attention on SDG 1 (ending poverty in all its forms). In light of the three perspectives drawn up in this report, many ethnic-minority groups would find this analysis of conflict drivers simplistic and

official went on to explain how the satisfaction of

basic needs is a prerequisite for comprehensive and

That poverty reduction will lead to peace is a

common assumption, but the causality is not

always straightforward. Instead, processes gene-

rating poverty and driving conflict are often

complicated and include complex structures of

sustainable peace.

ethnic-minority areas (regardless of whether they have signed a cease-fire agreement or not), and even more so in areas of ongoing armed conflict. THE LINKS BETWEEN ENDING POVERTY AND FOSTERING PEACE Official representatives we spoke to saw clear links between poverty reduction and peace. One of them said, "To increase the income of the household is fundamental for...ordinary people to have access to...nutrition, food, and housing and shelter. So I think that these are fundamental human rights, and it is necessary to be fulfilled for all people."22 The

The result is that, while the government has embarked on the process of implementing the 2030 Agenda with adequate knowledge and tools to advance on the goals, implementation continues to be more relevant for the central areas of the country were the majority Bamar population lives. In contrast, the goals are more difficult to implement and, to some extent, less relevant in

formal autonomy in a federal state, and divergent ment can be achieved in Myanmar.

views on state formation. As discussed above, the three main stakeholders in the conflicts-the government and the majority population, the ethnic-minority groups that have signed cease-fires with the government, and those still experiencing violent conflict with government forces-all have different perspectives on how peace and develop-

conflicts, ethnic armed groups' calls for more

Mona Christophersen and Svein Erik Stave

instead claim that lack of autonomy and selfdetermination are root causes of the conflicts.

As a result, the government's efforts to reduce poverty might not reduce levels of conflict as intended. One reason is that many of the country's resources are found in areas inhabited by ethnic minorities, and control over these resources continues to be a main driver of conflict in the country. While the government considers it essential to manage and distribute all available resources in an effort to lift its citizens out of poverty as a means to reach peace, ethnic armed groups generally claim more autonomy over these resources and the right to focus on ethnic identity as fundamental to a peace agreement.

The work of the Ministry of Social Welfare, Relief and Resettlement focuses on poverty reduction and resilience. The ministry has two departments: one for relief and resettlement, the other for social protection of vulnerable groups. The department for relief and resettlement is managing disaster risk reduction and resettlement of people internally displaced by conflict, currently calculated by the ministry to be over 100,000. Although all of the SDGs are relevant for this ministry, it predominantly focuses on SDG 1 (ending poverty) and SDG 11 (sustainable communities). Myanmar is particularly prone to disasters such as cyclones, floods, and droughts, which now occur more frequently and with larger impact, heightening the risk of loss of life, property, and livelihoods. Because disasters are often directly related to hunger and poverty, the ministry sees disaster risk management as crucial for poverty reduction. It has developed seventeen guiding principles for reducing the risk of disaster and building resilience. Again, however, this approach might reflect the needs and views of the majority Bamar population living in flood- and disaster-prone areas, rather than those of ethnic minorities in hillier regions who face a different set of challenges.

The ministry's other department is responsible for social protection of vulnerable groups, defined as children, women, persons with disabilities, and the elderly. It is working to improve services for these groups, adopting a rights-based approach. But while a rights-based approach to protecting children does not meet any resistance, the same approach to reducing domestic violence is more controversial. This is because domestic violence seems to be more accepted by society in general, which some of our interviewees suggested is related to a "Buddhist philosophy" that places the value of women below that of men. A counterargument is that domestic violence is just as prevalent in many of the ethnic groups that are Christian. Another plausible explanation for high levels of domestic violence is that decades of war expose people to regular violence, which can make violence more acceptable as a method to solve conflicts, both in society and domestically.<sup>23</sup> Further, people we met in Myanmar claimed that there is a cultural expectation to carry suffering with dignity and without complaint, making it challenging to use a rights-based approach. Yet the Ministry of Social Welfare has established several help-lines for victims of domestic violence, sexual violence, child rape, and other abuses. These help-lines received more than 100 cases in their first month of operation, revealing both the scale of the problem and the need to address it.

The ministry's definition of vulnerable groups does not include other groups experiencing social, economic, and political exclusion, such as youth or ethnic minorities. Yet it worked with a few ethnicminority states and acknowledged the need to work on social cohesion to reach sustainable peace. Ministry officials claimed that the best way to achieve social cohesion is to focus on the needs of ethnic minorities and offer assistance through development and education, including vocational training.

The ministry representatives presented examples of how the ministry is working on poverty reduction by focusing on relief and social services for groups it defines as vulnerable. It is taking what can be considered "a humanitarian approach," which is reflected in its focus on the needs of vulnerable groups and the way it claims to be neutral, nondiscriminatory, and inclusive of the needy. This focus on impartiality is a fundamental principle of humanitarian work, as demonstrated by important nongovernmental humanitarian actors such as the Red Cross and Doctors Without Borders.

However, humanitarian relief should not be confused with a just and inclusive welfare policy. When the government offers assistance to alleviate pain and satisfy basic needs, it should not neglect its responsibility to change structures in society that are producing and reproducing unfair distribution of opportunity, wealth, welfare, and health. Only by addressing these root causes can it reduce the number of people in need of assistance and relief. The government's help-lines can serve as an example. While they are a positive and important initiative for victims of domestic violence, they are not designed to reduce rates of domestic violence or provide long-term solutions. Such "humanitarian approaches" simply provide short-term relief rather than political programs for long-term development.

For governments, adopting a purely humanitarian approach can be problematic for peace and development if it does not address the root causes of the problem. If initiatives only focus on alleviating the suffering of victims but do not address the structural and cultural frameworks that allow abuse and exploitation to happen in the first place, they do not achieve real change. Targeted political decisions are needed to go beyond just addressing the symptoms of a malfunctioning system to achieve real change at a systemic level, such as reducing or putting an end to domestic violence rather than simply providing comfort to the victims. In the case of assistance to internally displaced persons (IDPs), initiatives should address the conflicts driving displacement to reduce the number of people who have to leave their area and seek shelter and protection elsewhere.

Nonetheless, many of the activities of the Ministry of Social Welfare clearly focus on challenges facing ethnic-minority areas, such as unemployment, the well-being of IDPs, and victims of conflict. Further, the ministry has particular programs for poor states and regions. In this respect, its activities might indirectly contribute to building peace through their general focus on socially and regionally marginalized people. That said, demands for self-determination continue to be key for many ethnic-minority groups, which

<sup>23</sup> The author encountered social workers and women's groups in Israel and Palestine, countries that also have been exposed to high levels of conflict and violence, claiming a relationship between this exposure and high levels of domestic violence.

claim to see little progress in this area.

In Kayin state, the largest ethnic armed group, the KNU, signed a preliminary cease-fire in 2012 and became part of the Nationwide Ceasefire Agreement in 2015. To gain local support for the peace process, local leaders and other stakeholders claimed that it was urgent to create more and better livelihood opportunities for ordinary people. Ethnic-minority leaders suggested a pragmatic approach focusing on creating opportunities for improving income in the short term, for example by organizing local business more efficiently with regard to production procedures, management, and access to markets. As described above, the government's strategy for poverty reduction, on the other hand, focuses on disaster risk reduction and preparedness, reflecting a more long-term approach. While preventive, long-term initiatives tend to be more sustainable, they can have the opposite effect in the context of fragility and lack of trust. Rapidly improving living conditions can be a strategy to build the trust necessary for a peace process and long-term development.

Ethnic-minority leaders also claimed that the most important and effective way to improve the quality of life for people in their area is to achieve sustainable peace and stability. From this, they believe more economic opportunities will follow. In reality, however, this might not be the case. Experience from peace processes has shown that this is not a straightforward and causal process. The case study of Guatemala that will be produced as part of this project can serve as an example: Guatemala signed a peace agreement with its local insurgents twenty years ago, but economic development and prosperity did not follow. Instead, violence increased. When the insurgency stopped, trafficking of drugs and humans and the associated corruption grew, keeping the country in the grip of violence.<sup>24</sup> Peace agreements thus do not automatically improve opportunities and livelihoods for affected groups. Development has to be intentionally driven by political processes and conscious decision making.

## DECENTRALIZATION: TOWARD MORE INCLUSIVE DECISION MAKING

One of the topics for the second Panglong peace conference (convened at the end of May 2017) was decentralization. A committee was tasked with discussing the link between land use, the environment, and peace. Preparatory meetings were held with ethnic-minority leaders and civil society representatives to discuss how each would like to shape the future of the country. One government official commented, "We are discussing the federal democratic state and decentralization of authority from the central government to the local government."<sup>25</sup>

The details of a future federal state with increased autonomy for ethnic-minority states are central to the conflicts in the country and to the peace negotiations. The government representatives interviewed for this report believed that the fact that the different parties in the conflict were now sitting together and discussing these sensitive topics made them better understand each other, which is a positive outcome in itself. Further, they claimed it created a mechanism for bringing messages from local communities to the government and from the government back to local communities.

Yet the concept of decentralization appears to be contested in Myanmar. For the central government, decentralization entails delegating authority to a state minister and local state institutions appointed by the central government and operating as an extension of its authority. For local ethnicminority leaders, decentralization is understood as delegating decision-making authority to autonomous and preferably elected local governance bodies, giving ethnic minorities a measure of selfdetermination. As long as the state minister and other leaders are appointed rather than elected, they do not necessarily represent the views of the local people. Appointed officials instead represent the views of the central government that often contradict those of local leaders on development issues. Representation and authority is thus directly

<sup>24</sup> Jimena Leiva Roesch and Mona Christophersen, "Does Peace Always Produce Development? Guatemala Offers Some Clues," *IPI Global Observatory*, February 14, 2017, available at https://theglobalobservatory.org/2017/02/guatemala-sustainable-development-goals-peace/.

<sup>25</sup> Interview with government official, Naypyidaw, Myanmar, May 23, 2017. He further claimed that annexes A, B, C, D, and E of the constitution are all related to decentralization of local authority.

related to the peace process, because it will continue to be contested as long as the visions for Myanmar's state formation are divided among what this report defines as the three main groups in the conflicts.

While each state in Myanmar has an elected legislature with five-year mandates, the constitution also gives the military control over 25 percent of the seats in these local parliaments.<sup>26</sup> Further, these legislatures have limited decision-making authority and meager budgets for operation. The real decision-making authority in states remains with the appointed state ministers and their local administrations. This division of power is established by the constitution and cannot be changed without constitutional amendments. Such amendments are difficult to implement as long as the constitution gives the military control over a minimum of 25 percent of the seats in parliament and some strategic (central and local) ministries.

As long as demands for autonomy and federalism are unsatisfied, decentralization will continue to be a central matter in the conflict in Myanmar. It requires moving power from the government's extended leadership at the state level to an elected state parliament, a change that is obstructed by the constitution. The weakness of the country's decentralization policies has also extended to the peace process itself, which relates only to the appointed state minister and not to the local elected state legislature. As a result, the leaders elected by the people are excluded from the peace process.

Yet from the government's perspective, decentralization has been a positive development. For example, decision making on foreign investment was recently decentralized. Previously, such investment needed permission from the central government. Now, however, an investor for a project in a specific area can discuss it directly with local authorities. The local authorities can take decisions on projects up to \$50 million based on their own needs and priorities.<sup>27</sup> This includes not only business and infrastructure projects but also projects related to education and health, allowing local authorities to recruit teachers and nurses without approval from the central government.

Expanded local authority to make decisions is based on a strategic framework for the direction of the country, which has already been approved by the central government. Local governments must then develop plans and strategies in line with this policy. The challenge nevertheless remains that local authorities in ethnic-minority areas represent the interests of the central government rather than those of the ethnic-minority groups. This is why local ethnic-minority leaders do not see much benefit in the current framework for decentralization.

Decentralization can, however, enable more inclusion of and consultation with stakeholders at the local level. Planning and implementation committees at the township level have been established for this purpose. These committees are intended to have closer relationships with local populations and aim to consult with the elders of the community and with civil society. These committees can serve as a mechanism for a more inclusive and consultative process before plans and decisions are submitted to the central government. They can also provide local authorities with statistics and other information needed for planning and implementation. In reality, however, these planning and implementation committees tend to consult mainly their own constituency at the local level (the NLD and others loyal to the regime) instead of reaching out to build cooperative relationships with ethnic-minority leaders and organizations.

Although the government's focus on decentralization may align with common ideas of inclusive democratic practices, the outcome can have the opposite effect in reality. Not only is decentralization designed to extend the authority of the government and disregard local ethnic-minority leaders who might be more representative, but there is also a chronic lack of public sector capacity, frequently mentioned by central ministries. Because the central ministries are more attractive employers and can recruit the most experienced and qualified personnel for their positions, local administrations can struggle to secure economic and human resources. In addition to having less education and

 $<sup>26 \</sup> ConstitutionNet, ``Constitutional Profile Myanmar,'' available at www.constitutionnet.org/country/constitutional-profile-myanmar .$ 

<sup>27</sup> We might have misheard the number, which may have been 15 million, the point being that some decision-making authority has been decentralized.

administrative experience, staff in local administrations can also be influenced by customary laws and practices that are sometimes in conflict with official laws and regulations.

Although in theory there is greater potential for solving a problem when closer to its source due to greater access to knowledge of the problem and its context, if there is no real capacity to solve the problem locally, decentralization can actually worsen local conditions and generate conflict, despite good intentions. Therefore, prior to decentralization, local institutions need to have the necessary resources to improve the situation locally. This includes attaining knowledge and building capacity to avoid exposing local leaders to criticism and blame for a policy that was destined to fail.

Strengthening local institutions is a central component of SDG 16 (peace, justice, and strong institutions), and building capacity at the local level is a prerequisite for a conflict-sensitive approach to decentralization. Yet if all the focus is on strengthening local state institutions, the support only benefits one party to the conflict, and other institutions that are more locally cemented will be weakened in the process. If this is allowed to happen, decentralization has the potential to exacerbate grievances and conflicts instead of reducing them.

Such concerns were expressed in regards to the decentralization of decision making on foreign investment in the Directorate of Investment for Companies, as mentioned above. One of our interviewees voiced concern that, instead of improving the situation, decentralization of this institution could make things worse.<sup>28</sup> The concern was that, when decision making was delegated to the local level, local leaders could renege on agreements the central government had already made, thereby putting the country at risk of largescale compensation claims from investors arguing that their investments had adhered to laws and regulations in place at the time of the investment. Such lawsuits could potentially be very harmful to the country's economy.

Local leaders we interviewed agreed that there had been major changes since government reforms started in 2011. Yet there was a general consensus that the changes were unsatisfactory and that the lack of trust toward the army remained a big challenge: "The problem is that there is no trust with the military part of the government. We know that the government has changed, but it is only at the surface level, so...[the ethnic-minority leaders] cannot move forward."29 Although Myanmar has had two governments that have worked toward peace and democracy, many interviewees observed that the country continues to be predominantly organized around a military structure. As an example, some claimed that, although the army wants some change, many of the laws and regulations are working in its favor. Too much change is thus unlikely because it could weaken military power.

Indeed, the General Administrative Department, which is under the Ministry of Interior and thus under army control, is commonly understood to be the main coordinator of all government activities, particularly at the local level. Although most local ministries have civilian leaders and administrations, the General Administrative Department manages administration at the township level, giving it a final say in all local decision making. This is why interviewees frequently claimed that most changes were superficial. Although the new government has developed election processes for state legislatures and village councils and appointed new chief ministers in the states, these new political bodies do not yet have the experience, power base, and influence to fully replace the military structures and authority. For example, an interviewee stated that when fighting erupts between a faction of the armed groups in Kayin state and the army's border-guard forces, the decision to engage in violent action is made without even informing the chief minister of the state.30

This ongoing military influence is at play in the renewed violence against the Rohingya in Rakhine state. Decisions about military action are made

<sup>28</sup> Interview with individual connected to Yangon's business sector, Yangon, Myanmar, May 24, 2017.

<sup>29</sup> Interview with local leader, Hpa-an, Myanmar, June 5, 2017.

<sup>30</sup> Interview with local leader, Hpa-an, Myanmar, June 5, 2017.

without the need to ask the elected government for consent. This lack of legislative authority, which is regulated by the constitution, is hard to grasp when the government is democratically elected. The result is that the government is blamed for the military's actions. These examples show how de facto authority remains with the army, placing power yet another step away from elected representatives both at the central and local levels.

At the same time, local ethnic groups face their own challenges, such as lack of unity and organization. The Karen group, for example, is often associated with its largest armed group, the Karen National Union (KNU), which historically controlled significant parts of Kayin state. This control has been partly relinquished since ceasefire agreements with the government in 2012. However, the Karen people do not only live in Kayin state; they are spread all over the country and speak several different languages. This reflects that the Kayin state is a government construction invented by the majority-Bamar authorities as part of their divide-and-rule tactics. For this reason, the purview of Karen leaders extends beyond the boundaries of Kayin state, as their people can also be found in large numbers in Bago and Mon states. At the moment, the Karen people are organized into five different political parties and four armed groups. Over the last four to five years, they have struggled to unify these groups to become better organized in relation to the central government, as their previous lack of unity contributed to further complicating an already complex conflict.

As discussed above, decentralization is considered key to achieving peace in Myanmar. However, representatives from the government, NGOs, civil society organizations, ethnic groups, businesses, and the international community understand the concept in different ways. The main divide is between government representatives and ethnicminority representatives. Government representatives we talked with emphasized that decentralization is a process of transferring some economic and budgetary power from the central authorities to local authorities, whom they had appointed. Government representatives largely rejected ethnic-minority representatives and local civil society organizations' desire for including aspects of cultural rights (including language of instruction in local schools) and political self-determination in the understanding of decentralization.

This divide follows the three main divergences in views on state formation for Myanmar as outlined in this report and touches upon one of the most challenging dilemmas facing the future development of the country: how to combine building a common national identity with allowing for cultural and political diversity. These issues further feed into one of the main challenges in the peace processes: the level of autonomy and self-determination in ethnic-minority areas and how this can be aligned with a cohesive national state.

### MANAGEMENT OF LAND AND RESOURCES: A POLITICAL PROCESS BEYOND DEVELOPMENT

While Myanmar has historically been known for its vast teak forests, these forests have been largely destroyed since the colonial era, and one of the main challenges today is to preserve what is left. For this reason, Myanmar has developed a policy focusing on protection of forests and sustainable forest management through an inclusive approach, which also seeks to raise awareness. In 2001 the government developed a thirty-year forest master plan, which is in line with the SDGs, particularly SDG 15 (protect life on land). This plan decentralized forest management to the fourteen states and regions, which have each developed local management plans down to the district level, detailing efforts at conservation, forest restoration, and the protection of ecosystems, endangered species, and natural habitats. At present, 5.7 percent of the remaining forest is officially designated as protected areas, and the government aims to increase this to 10 percent in the long term.

The forest department is under the Ministry of Environmental Conservation and Forestry, which is focusing on the SDGs related to the environment. In particular, the ministry is focusing on resilience and sees the expansion of forests as an important tool for addressing climate change, protecting biodiversity, reducing poverty, and building resilience to natural disasters. It sees this as the most challenging task for the coming years and highlights lack of financial, technical, and human resources as the main impediment to achieving its goals.

One of the main challenges to this work is illegal logging, which continues to threaten Myanmar's

already depleted forests. Myanmar has the third highest deforestation rate in the world, after Brazil and Indonesia, and between 2010 and 2015 the country lost half a million hectares of forest annually.31 Despite the new government introducing a ban on both logging and trade in chainsaws shortly after it came to power in 2016, illegal deforestation has continued, and is expected to as long as the demand for Myanmar's teak is high. Import statistics from neighboring countries such as China and India reveal that wood imports from Myanmar are twice as high as Myanmar's official wood exports.<sup>32</sup> Despite increased controls on the use and purchase of chainsaws, they remains an efficient tool and give people the opportunity for rapid profit.

Most illegal logging is undertaken by forest inhabitants who depend on it for daily subsistence. They not only cut down trees for illegal sale but also clear land for agriculture and firewood. The traditional "shifting cultivation" that continues to be practiced in several places in Myanmar is another threat to the forest. This entails burning down an area of forest to clear the land for agriculture. The land is used for two to three years before new land needs to be cleared. This practice is a serious contributor to deforestation. Further, endangered species are threatened by illegal hunting in these forests. These are all reasons for improving the forest management system and making it more sustainable by introducing laws and regulations for land use, while designating particular areas for agriculture using practices that do not further contribute to deforestation.

While illegal logging and hunting is mainly a "cottage industry," undertaken by individual households as part of a livelihood strategy, the timber trade is very lucrative and is organized by people with both wealth and power. Money and weapons are a central aspect of this trade, making it ripe for corruption. Some interviewees even suggested that the army itself is involved in illegal logging and distribution of its products, though they refused to provide more specific details. What

is clear is that powerful actors make illegal logging difficult to stop and hard to control.

The government is implementing assistance programs for local communities dependent on the forest for their livelihood to counteract illegal exploitation of the forest. Initiatives include distribution of land free of charge to farmers who can use it for agricultural purposes on the condition that they also plant trees on the land. The authorities then provide seedlings and seeds to encourage this practice of tree restoration. An important part of this work is done through what the government calls "people participation," where the local forest committee arranges meetings and consultations with people on matters related to the conservation of the forest. It is also establishing different kinds of plantations and community forestry initiatives for planting trees and enlarging the forest. Some of these plantations are also designated for producing fuel, aiming to facilitate and control households' collection of firewood for cooking.

Much of the forest and many other natural resources such as jade, gems, and minerals are found in ethnic-minority areas where the government does not have full control. This makes protecting and managing these resources particularly challenging. As one government official said:

Even though it is a high-forest area, it is beyond our control because of security. If all local governments can manage [the forest] properly, we can effectively manage our natural resources. But somehow, because of that conflict we are far away from our sustainable management of our forest resources. Even though we have a very good system to manage it, we cannot, and even the law enforcement is weak.<sup>33</sup>

The challenge is not only that law enforcement is weak in conflict-affected areas but also that ethnic groups often have land policies that differ from those of the government. Generally, local land use praxis leans more on customary law and traditions that are not consistent with large-scale, policyinformed land management and land registration. Therefore, the challenge is to develop a national land-use policy that recognizes local practices.

<sup>31</sup> Food and Agriculture Organization, "Global Forest Resources Assessment 2015: How Are the World's Forests Changing?," 2016, available at www.fao.org/3/a-i4793e.pdf .

<sup>32</sup> Poppy McPherson, "Chain Saw Injuries in Myanmar Tied to Illegal Logging," Mongabay, February 12, 2017, available at https://news.mongabay.com/2017/02/chain-saw-injuries-in-myanmar-tied-to-illegal-logging/.

<sup>33</sup> Interview with government official, Naypyidaw, Myanmar, May 23, 2017.

One example of customary practices related to land that contradict both national law and the SDG on gender equality (SDG 5) is the system of land inheritance in Chin state. According to local practice, only men can inherit land, the only exception being when there are no men in the clan. When it comes to inheritance of material goods, a daughter is entitled to 50 percent of what a son receives, and the mother is entitled to 50 percent of what a daughter receives. This gender bias in Chin customary laws contradicts the government's aim to end all forms of discrimination against women and girls, in line with SDG 5. The challenge is that local people have little trust in the police and other government institutions, and customary practice takes precedence.

To address this bias, local NGOs are working on raising awareness and developing campaigns to end discriminatory customs and practices as a part of broader efforts to reduce gender inequality in Myanmar, and in Chin state in particular.<sup>34</sup> In a country with a female head of state, gender inequality may not appear to be a major issue. Yet most of the people we met during our fieldwork claimed that discrimination against women and girls was prevalent in many daily practices and that there is much still to be done before men and women have equal opportunities for education and full economic and political participation in Myanmar.

As a result, land use and land development is one of the most sensitive topics in the peace talks. Government officials acknowledge that the definition of land is different for central and local stakeholders, making it a crucial issue for sustaining peace. For this reason, they are implementing a policy formulation process. For example, the government is developing its land-use policy by working together with different stakeholders in a series of consultations. This inclusive process falls in line with the sustaining peace approach recently adopted by UN member states.

Tensions exist in local communities over diverging land-use interests and ambiguous national land-use frameworks. Several interviewees also claimed that armed actors with economic interests are seizing land and displacing people in order to set up plantations, conduct mining operations, or build resorts. These armed actors are likely to threaten people's access to land or their ability to manage land, which can generate conflict. Armed actors are often not held accountable for illegal activity due to the fragile nature of the peace process. Explaining this, a local leader in Hpa-an drew attention to the cars on the streets, stating that "all the cars here are not legal; people here can own them and drive them..., [but] because of the peace agreement [the authorities] take no action against them." The local leader explained further: "When they buy a car they use the name of the ethnic [armed] group, so [now] the government doesn't dare to take action against those groups, so because of that there is no rule of law."35 He claimed that this illustrates how local leaders can hide behind ethnic armed groups, because the authorities fear that any small local confrontation could put the fragile cease-fire arrangement in jeopardy.

This lack of accountability applies not only to small offenses like purchasing an illegal car, but also to more serious criminal activity such as drug trafficking, which is a major problem in the country. In these instances, many different kinds of armed groups are involved, and taking action against perpetrators can thus affect the entire peace process. The same applies to illegal logging and extraction of natural resources such as jade.

The government's decentralization policy aims to give local stakeholders more authority over land use, including for plantations, industrial zones, or the extension of residential areas. As previously discussed, however, the concept of decentralization is disputed, and the government and local ethnicminority leaders have competing interests and ambitions. For example, when an investor wants to establish a forest plantation, the land is often already being used by locals, generating conflicts of interest. Accordingly, the forest department introduced the policy of community forestry to mitigate the ensuing conflicts with local farmers. The department claims that conflicts are even greater in urban areas where there is pressure to

35 Interview with local leader, Hpa-an, Myanmar, June 5, 2017.

<sup>34</sup> Interview with civil society leader, Yangon, Myanmar, May 26, 2017.

clear forest and agricultural land for residential or industrial purposes.

The government is promoting large economic development projects like the seaport in Dawei and developing several industrial economic zones. Big foreign investors such as China and Japan are involved in these projects. China is interested in expanding its new "Silk Road" (the "One Belt, One Road" initiative), a mega infrastructure project that includes railways, seaports, gas pipelines, and other infrastructure to facilitate trade and development in China as well as in the countries included in this ambitious plan.

In line with the "Belt and Road" initiative, China

invested in the Myitsone dam project, though it was suspended due to protests when details revealed that 90 percent of the electricity produced would go to China and that it would cause environmental destruction and mass displacement. Further, a railway line connecting China's Yunnan province with Myanmar's Rakhine state was stopped after public protests. Yet for the Kyaukphyu-Kunming oil pipeline, the central government rejected activists' demands for a larger share of the revenues and for measures to protect against oil spills, permitting implementation of the project. This demonstrates how the central government is balancing opportunities for development and prospects for profit with the protests and

### Box 1. Arbitrary compensation processes: The Thilawa Special Economic Zone<sup>36</sup>

In 2013 a large number of households, mainly fishermen and farmers, were requested to leave their land for the creation of the Thilawa Special Economic Zone just south of Yangon. The zone was developed by the central government in collaboration with the Japan International Cooperation Agency (JICA) and several Japanese and Burmese companies. According to the villagers, the households were not offered compensation at the outset of the construction process. Following initial complaints, however, they were offered simple housing arrangements in a less attractive area with polluted water and few livelihood opportunities. The resulting disappointment led the affected communities to establish the Thilawa Social Development Group (TSDG) to voice their grievances and ensure their concerns were addressed and that they were provided proper compensation.

In 2014 a representative of TSDG made a visit to the JICA headquarters in Japan to discuss compensation issues. He claimed that, although JICA had initially stated that providing compensation was the responsibility of Myanmar's government, the visit resulted in a mission and a report recommending standards and measures to improve the relocation process, including compensation. However, as there was no follow-up to the recommendations from the report, the TSDG representative made a second visit to Japan to present the situation once again and restate their compensation demands. This time the visit resulted in a relocation plan, which included measures to rebuild the livelihoods of the relocated households over a three-year period. However, plans went ahead without further involvement of the local population.

Interviewees in the affected area all claimed that, if compensation was fair and they were given the chance to reestablish sustainable livelihoods elsewhere, they would not hesitate to be relocated. This sentiment was shared by some of the ethnic-minority representatives interviewed during the field visit and in meetings with NGOs working in ethnic-minority areas of the country. This suggests that, by standardizing and enforcing a national regulatory framework that ensures conflict-sensitive impact assessments and compensation for affected populations, many land and resource-related conflicts could be solved. Similarly, this could also help to reduce dilemmas between economic development and its social and environmental consequences in general. Large investments in countries affected by conflict will benefit from conflictsensitive assessments that align with a sustaining peace approach and include communities in decisionmaking processes that will have an impact on their future.

<sup>36</sup> This information draws from a field visit to the Thilawa Special Economic Zone and an interview with a social development group in Yangon, Myanmar, June 1, 2017.

demands of local stakeholders.

Development projects such as the Myitsone dam can generate electricity for China and some money for Myanmar's government, but they would also cause ecological destruction and mass displacement, and the local people usually receive few benefits from these kinds of projects. Again, we can identify categories of stakeholders with different realities and interests and different views and ambitions for the future of Myanmar. This lack of coherence emphasizes the need to adopt an inclusive political process that assesses conflict drivers as well as opportunities for building social cohesion. Sustainable development entails looking beyond economic opportunity to the potential impact on society, the environment, and the conflicts.

### SUSTAINABLE ENERGY FOR ALL

Although Myanmar is rich in natural resources, SDG 7 on clean energy is another key challenge for the country. This goal calls for sustainable and affordable energy, but electricity shortages remain a challenge, particularly in rural areas. Only about 30 percent of Myanmar's households are connected to the national electricity grid.37 Hydroelectric power is the main source of energy, but although this energy is clean and renewable, the power plants needed to generate it require construction of dams and power stations and are expensive to develop. Further, dam projects such as the Myitsone dam usually have large environmental and social impacts in the areas in which they are built, which often creates conflict between the developer and the local population (see Box 1). The areas suitable for developing hydroelectric power are mainly in hilly areas home to ethnic minorities, most of whom are already involved in armed conflicts over the use of natural resources as a part of their fight for greater autonomy.

The development of sustainable energy thus reflects the divisions among the three main categories of stakeholders with their respective visions for Myanmar, as discussed above. The central government has ambitions to develop large hydropower projects as part of an overall development strategy to provide clean and affordable electricity for industrial and other purposes and to generate income for the state by selling the energy abroad. Areas selected for hydroelectric power development need to be within reach of the central government and thus are mainly in areas where armed actors have signed cease-fires with the government.

Yet people in these areas have protested against the plants because they adversely impact the environment that the majority of local people rely on for daily subsistence. As a result, some largescale projects have been stopped, while others (often smaller-scale) are continuing despite local protest. In these areas, ethnic-minority leaders are increasingly worried whether the outcome of the cease-fire will actually bring the self-determination they are aiming for. Further, some areas remain out of reach of the government's development ambitions because they are under ethnic-minority governance and affected by violent conflict. Development of hydroelectric power is thus particularly sensitive because the question of authority is unresolved among the three main categories of stakeholders forming the fault lines in Myanmar. The energy sector could therefore benefit from adopting extra precautions by being developed through a conflict-sensitive approach that is both inclusive and that builds bridges to overcome these conflicts of interest to avoid escalation of violence.

Government officials further mentioned that hydroelectric power in Myanmar is not sustainable throughout the year. This is due to lack of water in the dry season, while sometimes in the rainy season an overabundance of water decreases the ability to use the power potential efficiently. To safeguard stable energy for industrial development, the government aims to develop an energy matrix that combines hydroelectric power with other sources of power such as gas and what the government calls "clean coal energy." As potential coal mines will mostly also be located in ethnic-minority areas, such development also requires a conflict-sensitive approach to prevent any escalation of conflict. To make the energy sector more sustainable in general, regional autonomy combined with an inclusive consultative process is essential.

<sup>37</sup> The electrification rate in Myanmar has increased from 16 percent in 2006 to approximately one-third in 2017 (and just 16 percent in rural areas). Oxford Business Group, "Infrastructure Upgrades in Myanmar Aim to Cover Gaps in Energy Sector," 2017, available at https://oxfordbusinessgroup.com/overview/charging-infrastructure-upgrades-aim-cover-gaps-energy-sector .

On a smaller scale, some local projects provide remote villages outside the public electric grid with basic household electricity. These can be solar energy projects, small hydroelectric plants, and sometimes generators producing electricity from petrol. These energy sources are not suitable for larger development projects such as industrial economic zones, which need energy at a much larger scale, but they can provide small communities with basic electricity, enabling them to benefit from general development.

One of the effects of the country's energy shortage is that many people in rural Myanmar do not have enough electricity or alternative energy for daily cooking. This undermines efforts to protect the forest and contributes to deforestation because families will resort to using firewood for cooking. The central authorities take this thereat very seriously:

We have one special department dealing with the [cooking energy challenge. It has developed] an efficient cooking stove that can reduce the use of firewood by 40 percent..., and we also encourage the villages to establish what we call the fuel plantation.<sup>38</sup>

The efficient cooking stove is distributed to households at an affordable price, and the fuel plantations are usually established in villages as part of a community forestry program.

Although Myanmar has one of the lowest electrification rates in the world, its government is actively working to build the energy sector. It has introduced an ambitious plan: the National Electrification Plan, developed in cooperation with the World Bank and the UN in 2014.<sup>39</sup> The plan aims to give 50 percent of the population access to electricity by 2020 and 100 percent by 2030. An energy mix combining hydropower, wind, solar, oil, and gas will be used, which will help Myanmar advance on SDG 7.

## EDUCATION AS A DRIVER OF COHESION AND CONFLICT

Myanmar developed a new national education strategy in 2012 and has since introduced several educational reforms, including reforming the textbooks in 2017. Although the education strategy preceded the SDGs, its nine main focus areas are very much aligned with SDG 4 (providing quality education for all) and its forty-three targets. Myanmar's Ministry of Education believes that "education plays a key role to reduce poverty, to build peace and sustainable development."<sup>40</sup> In particular, the plan calls for extending primary and secondary education from eleven years of schooling to a kindergarten-to-twelfth-grade program by adding one year at each end of the current cycle. The ministry is also taking further steps to improve training of teachers by extending training from two to four years in order to improve the quality of education.

Authorities have high awareness of gender balance in the education system, which is almost 50:50 at the primary level. Yet, as in many other parts of the world, girls outnumber boys when they enter higher levels of education. At the secondary level, the ratio is 60:40 in favor of girls, and in higher education 80 percent of the students are girls. While creating an inverse gender disparity, this still presents a challenge, as it gives boys and girls unequal opportunities for development and self-realization.

Further, the gender disparity reflects high dropout rates among boys, which the ministry suggests is a serious issue for the country. The ministry claims that, of the approximately 11 million young people of school age, only 9 million are enrolled in school, meaning that 2 million children are missing out on education. In response, the government has developed an alternative learning program in cooperation with a number of NGOs to offer education to those who have dropped out of the school system. Although this is a positive education strategy, alternative learning programs do not yet have a mainstreamed certification procedure that allows their students to sit for public exams and be re-enrolled in the formal education system, for example to pursue higher education.

Beyond gender equality strategies, the government also claimed that public schools were

<sup>38</sup> Interview with the Ministry of Environment, Naypyidaw, Myanmar, May 23, 2017.

 $<sup>39 \ \</sup> World \ Bank, ``Development of a \ Myanmar National Electrification \ Plan: \ Towards \ Universal \ Access \ 2015-2030,'' available \ at \ http://documents.worldbank.org/curated/en/229931468062089047/pdf/904200WP0NEP0Q0A00Box385316B0PUBLIC0.pdf \ .$ 

<sup>40</sup> Interview with Ministry of Education, Naypyidaw, Myanmar, May 23, 2017.

following nondiscriminatory laws to protect individuals with disabilities as well as ethnic and religious minority groups. Yet individuals from the NGO sector have claimed that such discrimination exists, not only against students but also against teachers. One interviewee claimed a notice put out by the teacher training college in Pathan warned that disabled students would not be accepted in their courses:

Anybody who is disabled, has a tattoo or long hair or something [will not be accepted as students at the training college]. And [in response] people said, you know, I think this goes against the convention for people with disabilities, [and the] Myanmar law on disability of 2015. And the follow-up to that [law] might well introduce a compulsory quota [for disabled persons] in the workplace. So where are the [disabled] teachers [going] to come from if they are not [allowed to be] trained?<sup>41</sup>

Having laws on nondiscrimination is one thing, but implementing inclusion in practice is something entirely different.

Lack of capacity is another challenge to improving both general access to education and the quality of education. In addition to strengthening teacher training, the government aims to improve education quality by increasing Internet access in schools and using "deep learning rather than surface learning" to encourage critical thinking and innovation rather than memorization and theory.<sup>42</sup> In line with this, the government believes that education should be more practical and adapted to the needs of the labor market. Because these are not well matched, many young people trying to enter the workforce lack the skills needed to find jobs. This is a challenge both for vocational training courses and for higher education at the universities.

Myanmar lacks basic infrastructure for education, including school buildings and equipment. For this reason, other actors such as monasteries have been active in the education sector by offering primary and lower-secondary education to students who would otherwise not have access to school. Monastery schools and most private schools follow the same curriculum as the public schools and prepare students for the public exams. For the higher-secondary level, some parents prefer to send their children to private schools because they have higher pass rates for the public exams, which is important for the prospect of higher education. Myanmar has about 2,000 private schools, though it does not have a private school law and thus only accepts results from schools following the national curriculum. It does not accept results from private international schools such as the International Baccalaureate (IB) Diploma Programme, which most countries recognize as a high-quality qualification.

Building schools and increasing access in remote areas is a priority for the government, and it claims that educational services are offered on a nondiscriminatory basis. However, textbooks and teachers in public schools mainly use Bamar, the language of the ethnic majority in the country, despite the country having more than a hundred recognized ethnic-minority groups, all with unique cultural practices, and several groups speaking multiple languages. This means that many children begin school in a language they do not know or understand. Recognizing this challenge, the Ministry of Education has accepted forty-nine languages to be used in public schools and now invests in assistant teachers who can help children by translating textbook content as well as the teacher's instructions in the classroom. However, children still have to learn the Bamar language to be able to sit for the public exams, which contributes to high dropout rates, as many students give up school, knowing they will fail the exam due to weak language skills. In some areas, the ministry has accepted calls to translate textbooks and employ ethnic-minority teachers so children can learn in their mother tongue at the lower levels of education. However, the language used in public exams remains an issue.

In Kayin state there are three systems of education. In the government-controlled areas there are public schools that follow the curriculum of the Ministry of Education, which use Bamar as the language of instruction. In the KNU-controlled areas the Karen group has its own education department that organizes education at the primary and lower-secondary levels. As part of this,

<sup>41</sup> Interview with NGO leader, Yangon, Myanmar, May 24, 2017.

<sup>42</sup> Interview with Ministry of Education, Naypyidaw, Myanmar, May 23, 2017

it has developed its own curriculum using Karen as a language of instruction. Some areas of Kayin state were previously under full Karen control, but under the cease-fire agreement they have opened up and are now under a shared administration. Negotiations to merge the Karen schools with the public education system are ongoing.

When the government establishes schools in these mixed-control areas, children face challenges because they do not know Bamar. While there are still schools following the Karen system in these mixed areas, the government does not recognize the results from these schools, effectively barring students from pursuing higher education. Although the curriculum is said to bear a close resemblance to the international system, these students generally fail the national exams because they do not know the Bamar language. To address this problem, three KNU-organized schools have been selected to teach in Bamar. This creates an opportunity for students to take the matriculation exam so that "after they pass high school, they can continue to study at government universities. [Afterwards] those youths can go back to their [Karen] community and try to develop their community. [As it is now,] if they are not graduated from the government universities, it is not easy to get jobs as teachers and nurses."<sup>43</sup>

This demonstrates that education is not only a development issue, but also a political issue with roots in the conflict. A political issue cannot be solved through the adoption of a development response but has to be solved through a political process that is inclusive and conflict-sensitive. The process has to identify factors that are driving the conflict and could potentially lead to more violence

### Box 2. Language of instruction as a barrier to inclusive education

"Because we do not have political rights, we are always suppressed by the government. As Karen we cannot use the Karen curriculum and we cannot have our own school language. We have to follow the central government's curriculum. And because of that a lot of students are dropouts.... Because we Karen do not understand.... We [Karen] can speak [Bamar], but we cannot understand it correctly, so when we enter the exams, we always fail. Because of language, [Bamar] becomes a barrier for us to achieve education. Because of the language we cannot achieve our future.

"But if we had the right to start studying in our mother tongue at the primary level and secondary level, it would be easy for us Karen students to study. The Karen had a lot of [primary] schools, middle schools, and high schools in their area [the "Karen liberated zones"], but after the fall of the headquarters [after signing the bilateral cease-fire agreement with the government in 2012] they lost many schools. After they signed the bilateral agreement, the government tried to do what they call education development. But for us, we think it is a kind of what we call a political tool to expand their territory through education. They went to the KNU and asked the leaders to build a school there. And after that they brought the government teachers and make them teach there. And the existing system of community schools disappeared. So this is one of the things we are fighting for. Until now we did not get the chance to teach in our own language in these schools."<sup>44</sup>

By demonstrating how education has become a disputed issue, this Karen leader is illustrating the difference in visions for the future of Myanmar. The government claims to have good intentions to develop a part of the country it considers to be stagnating and left behind after years of violent conflict. Yet ethnic-minority leaders who do not trust the government's intentions interpret this initiative as colonization. For the ethnicminority leaders, this form of government development conflicts with their ambition for self-determination. As such, the country's education system is threatening an already fragile peace instead of contributing to sustainable development. It is not that the Karen leaders do not want education and development, but they want it with self-determination.

<sup>43</sup> Interview with local leader, Hpa-an, Myanmar, June 5, 2017.

<sup>44</sup> Interview with local leader, Hpa-an, Myanmar, June 5, 2017.

and work to overcome them to reach sustainable peace.

As a result, education in ethnic-minority groups' mother tongue is one of the key issues in the peace process. Ethnic-minority civil society groups are asking the government to allow minority languages to be taught in schools. For the government, however, the education system is one of its main tools to build social cohesion and bring future citizens together under one national umbrella—a tool to bridge the ethnic divisions of the country.

Although ethnic-minority groups have already been operating schools using ethnic-minority languages of instruction in their "liberated zones," the experience in Mon state can serve as an example of possible cooperation between the central government and ethnic-minority leaders. When the New Mon State Party signed a cease-fire with the military government in 1995, it was able to negotiate an expansion of its schools operating in the "liberated zones" to the government-controlled areas where many Mon-speaking communities lived. The New Mon State Party's education committee operated some schools, and others were operated jointly with the government. Primary schools use Mon as the primary language of instruction, while the Bamar language is introduced at the middle-school level in combination with Mon, which is used for culture and history classes and classes in the Mon language. At the high-school level, the language of instruction has been fully switched to Bamar, except for classes in English and the Mon language.45

Myanmar therefore already has a model for solving the sensitive language issue in education, one that appears to work well. This model could be replicated for other ethnic-minority groups as part of negotiations for self-determination in a federal state. While education has the potential to drive conflict in Kayin, the opposite is happening in Mon, where the education model is building peace and social cohesion.

A final point is that the education system is closely related to the situation of youth. As a result

of the high dropout rate, many young people in Kayin state have limited opportunities to secure a livelihood locally. Migration to Thailand is sometimes the only option. As noted by a local leader, "So you will see that there are not so many people around [here] between the age of eighteen and forty. Kids are living with their grandparents, and there are a lot of people migrating to Thailand as unskilled labor."<sup>46</sup>

The opportunities available to young individuals depend mostly on their family and socioeconomic background—whether they are from a rural or urban household, a poor or a wealthy family, and so on. For example, while there are universities in Hpa-an, drug abuse is considered an increasing problem among youth in the area. While the situation of youth was raised as an important issue by several interviewees, further elaboration on this topic is beyond the main scope of this study.

### CHANGING THE BUSINESS MODEL IN MYANMAR: A NEW APPROACH TO PARTNERSHIPS

The regime change in Myanmar in 2010 and the ensuing reform process that began in 2011 led to a profound change in economic policies; the country shifted from a state-centered economy toward a more open, market-oriented economy. A government official described that "the new government has changed strategy. The government is not a leader anymore; the government is a referee, especially in the economic field.... As a referee, the government needs to develop the necessary economic rules, laws, and regulations for fair play in the market."<sup>47</sup>

Before this change, Myanmar's economy mainly consisted of large state-owned enterprises. While such businesses give the government control over resources and the opportunity to offer employment by creating public sector jobs, state-owned enterprises can also have high costs and limited profits. Interviewees claimed that, since the reforms and the opening of the country, 98 percent of enterprises are now privately owned and small or medium-sized. This reflects a historic economic

<sup>45</sup> Marie Lall, "Mother Tongue Education: The Mon Model," *Myanmar Times*, August 20, 2012, available at www.mmtimes.com/national-news/187-mother-tongue-education-the-mon-model.html?start=1 .

<sup>46</sup> Interview with local leader, Hpa-an, Myanmar, June 5, 2017.

<sup>47</sup> Interview with government official, Naypyidaw, Myanmar, May 23, 2017.

shift from state-owned to privately owned companies in a relatively short time. This unprecedented growth of the private sector has required an update of laws and regulations to better adapt to a market economy. As of June 2017, for example, the government had finalized a new trading law and a new investment law. Laws on citizen investment and foreign investment were approved in 2012, and in 2017 these two laws were combined to ease access for foreign investment.<sup>48</sup>

The government is further developing publicprivate partnerships as part of a strategy to meet some of Myanmar's urgent needs, particularly in terms of infrastructure. While many urban areas need upgrades to more modern infrastructure, many rural areas are still in need of basic infrastructure such as roads and electricity. According to a representative of the business community interviewed in Yangon, a framework for this public-private partnership strategy is still under development to attract not only domestic but also foreign investment.<sup>49</sup>

Yet the government acknowledges that publicprivate partnerships can be a double-edged sword and sees the need to develop a technical framework that is sensitive to the needs and interests of both the government and other stakeholders and that is bound by rules and regulations. The same interviewee claimed that the current framework was ambiguous and unpredictable.<sup>50</sup> There is thus a strong need to develop standards, rules, and regulations for environmental and social impact assessments, as well as for conflict-sensitivity assessments in relation to investments.

The country's vice president has monthly meetings with the chamber of commerce and other business organizations to discuss challenges in the business sector. Together, they suggest recommendations for actions and measures needed to mitigate challenges that have been identified, such as changes to laws and regulations. An interviewee working closely with the business sector was particularly concerned about the nature and quality of regulations for the private sector:

We began thinking it is all about persuading businesses to respect human rights and the UN guiding principles, so we opened up by saying a responsible business is based on law. And they said, you don't know how difficult it is..., it just doesn't work. The government here is thinking that they just have to do more investment, by which it means going out to trade fairs, [while] investment promotion actually means overhaul of...its existing regulations.<sup>51</sup>

The government must therefore take a more inclusive and consultative approach when developing these regulations in order to make them more fit for purpose. Some claim that the current complex regulations are an impediment to economic growth; if a business wants to operate with legal permits they often get stuck in a maze of legal documents.

Another challenge is the concept of corporate social responsibility (CSR) and the perception that businesses compose a "bottomless purse of philan-thropy." When renegotiating the Letpadaung copper mine investment in 2014, the government put forward as a prerequisite for official approval a legally binding clause that 2 percent of net profits would go toward CSR. Some government advisers have suggested that this should become a standard practice for investment in other sectors as well.<sup>52</sup>

According to an interviewee working on business sector reform, there are several pitfalls related to this recommendation. If, for example, the government asks a private company to provide money for a school or a hospital, the company is taking on government responsibilities, making it unsustainable when the company decides to leave the country. Further, the business might use CSR funds to do what it should be doing anyway, such as putting in proper wastewater treatment to clean up hazardous spills. Instead, the company is supposed to integrate a strategy for social, environmental, and consumer concerns into its overall business operation by channeling funds into a community in close collaboration with its stakeholders.

<sup>48</sup> According to an interview with the attorney-general's office in Naypyidaw, Myanmar, May 22, 2017.

<sup>49</sup> Interview with individual related to the business sector, Yangon, Myanmar, May 24, 2017.

<sup>50</sup> Ibid.

<sup>51</sup> Ibid

<sup>52</sup> Vicky Bowman and the Inle Advisory Group, "Myanmar and CSR: Creating and Implementing Successful Strategy," Myanmar Centre for Responsible Business, February 25, 2014, available at www.myanmar-responsiblebusiness.org/news/myanmar-and-csr-creating-and-implementing-successful-strategy.html .

CSR also sometimes gives companies an opportunity to leverage the money they donate to fulfill legal requirements. According to one interviewee, this could be

like [giving] 10,000 [kyat] to each of the village heads around their mine, so every month [the company] can sign off [on their social and environmental impact assessment] and say, yes, there is no problem with this mine, we [have] support [for] its continuation, [which can actually be] against the interest of the [people in the] village who have been poisoned by [the mine's wastewater].<sup>53</sup>

As another example, CSR funds could be used to pay a village leader's uncle who has a construction company that is building a school but not following any regulations for tenders or transparency. In exchange, the business leader who is paying off the locals would be granted renewal of his permit and the continuation of his profitable investments, but without checks and balances based on the rule of law.

In this way, CSR can become an instrument of corruption by granting legal permits and reducing accountability for the adverse social and environmental impacts of business operations. As a result, it can drive conflict instead of contributing to the well-being of the affected population and supporting sustainable development. In this context, CSR can be called "forced philanthropy" as opposed to a business model that creates shared value and allows the community to be directly involved in making decisions that will ultimately affect them. This could involve a business stopping pollution that is making people sick, or building a playground to keep children off the streets to prevent them from being killed in car accidents when it has caused heavier traffic in a residential area.

CSR requires that the government see businesses as stakeholders rather than potential donors and funders of social projects, but according to interviewees, viewing them as the latter has been a tradition in Myanmar, particularly throughout the military era. To do business in Myanmar during military rule, good relations with army leaders were needed. Today's business "cronies" came to their positions because they did exactly what the military leaders asked them to do, whether it was to build a hospital or a school or to do something else in return for important licenses. Several interviewees claimed that Myanmar's rapid development made it easy for these "cronies" to grab extensive control over the private sector. They further hinted that several of these people belonged to families with close links to influential army leaders. In this way, the army has kept control over large parts of Myanmar's growing business sector, including large businesses such as Myanmar Beer.

Myanmar's current rapid economic growth has opened up new opportunities for corruption, adding to an already extensive problem in the country. One of the main challenges for the business sector is to become more sensitive to the specific context of conflicts in Myanmar by analyzing how their activities can contribute to or curb them. Such analyses can help development and business initiatives contribute to a comprehensive sustaining peace approach.

In the tourist industry, for example, there is a preference for big hotels and resorts. Further, guesthouses for foreigners are required to have a minimum of ten rooms,54 which excludes small local investors from entering the market because they do not have enough capital to build ten rooms or more. Such regulations can thus drive conflict instead of promoting development, because wealthy investors from Yangon are the only ones with sufficient capital to follow the regulation. In this way, the Ministry of Tourism is indirectly discriminating against locals by making their entry into the market difficult. A local leader in Hpa-an commented, "Because we the people do not have the benefit of peace, maybe this crony or this rich man got the benefit of the peace. A lot are owned by them.... For example you can ask who owns this hotel [where the interview was conducted]."55

Airbnb and other businesses in the sharing economy have emerged as a way for local people of modest means to earn some money and counter the prevalence of large tourist resorts funded by cronies. However, Airbnb is illegal in Myanmar, and the government is against it for two reasons. One is that the owners of big hotels do not want

55 A relatively big hotel of modest standards.

<sup>53</sup> Interview with individual related to the business sector, Yangon, Myanmar, May 24, 2017.

<sup>54</sup> The interviewee stated that the limit was around ten or twenty rooms and we were not able to confirm the exact number.

competition. The other is that it will reduce the government's control over this part of the tourist industry.<sup>56</sup> In some parts of Kayin, locals have been able to push for a community-driven approach to bed-and-breakfast accommodation, assisted by international NGOs pressuring the relevant ministries. This experiment is fragile, however, due to a delicate security situation in areas covered by cease-fire agreements.

A central component of the 2030 Agenda is to leave no one behind, and asking who benefits economically from peace and cease-fire agreements is thus crucial. A more conflict-sensitive approach would include analyzing how these regulations are playing out on the ground, how they are distributing privileges and driving processes of exclusion, how they are undermining or supporting local business initiatives, and how they are fueling or reducing conflict. SDG 17 calls for a renewed partnership, in which governments, the private sector, and civil society work together and "share knowledge, expertise, technology and financial resources to support the achievements of the SDGs." It calls for an approach that is conscious of how inclusive growth can foster peace in a mutual and symbiotic long-term process. This report has further argued that responding to the calls from Myanmar's many ethnic minorities for peace and self-determination will be fundamental for the country's long-term sustainable development.

## Conclusions

This report has argued that Myanmar lacks consensus around a national vision for the future of the country and its path toward peace and development. There are at least three main perspectives on how the country can develop, represented by three main categories of stakeholders in the population, each relating to the country's conflict in a particular way.

The first is the majority ethnic group, the Bamar, represented by the central government. As part of the country's overall reform process, the government is taking a foreign policy approach where it is signing international agreements such as the 2030 Agenda. The government is committed to these goals and is making plans and strategies for their implementation. Yet the government has an unsettled relationship with its armed forces, which have retained considerable formal and informal power and sometimes display conflicts of interest with the civil government, indicating conflicting visions for the future of the state.

The second perspective is found among ethnicminority actors that have signed cease-fires with the government. They live in areas that are somewhat available for development. Through bilateral agreements, the central government can use development and the process of implementing the 2030 Agenda to consolidate the peace processes. Yet lack of trust between ethnicminority leaders and the central government is an impediment to the development process. Despite good intentions from the central government, ethnic minorities view many development projects with suspicion because they are not implemented through an inclusive and consultative process. The experiences of development initiatives that fail to consider local opinions thus tend to create perceptions of development as concealed colonization, which can intensify ethnic groups' desire for selfdetermination and escalate conflicts.

The third perspective is found among ethnic armed groups engaged in continued violent conflict with Myanmar's army. These groups control swathes of land that are out of reach for the government and other development actors, making implementation of the 2030 Agenda impossible. While local ethnic-minority leaders are providing some services to people under their control, these areas are falling behind on sustainable development.

We were not able to meet representatives of the third category for security reasons, but in general the people we met in Myanmar were optimistic about the country's future. The country has seen positive reforms and fundamental change since emerging from decades of military dictatorship. There are many positive trends in terms of development, particularly given that the country has opened its borders to allow foreign aid and investment. This process is likely to continue. One reason is that the ineffectiveness of the military's

<sup>56</sup> Arguments elsewhere include how Airbnb can drive up rental prices, which can negatively impact local residents.

governance model convinced it to give up parts of its power. Another reason is that democratic forces have grown strong, and the open economy has created international interdependence and strong economic interests in Myanmar that are largely reliant on continued democratization and peace. At the same time, however, the country faces big challenges when it comes to inclusive and sustainable peace, which could counter these positive development trends.

Myanmar is struggling with two transitions: the transition from dictatorship to democracy and the transition from war to peace. The first is linked to the 2008 constitution, which was the key to opening up the country for these transitions. However, this constitution was created by the military and gives the military continued control over key governmental institutions such as the Ministry of Interior and, by extension, the police. The military also kept control over the General Administration, which plays a decisive role in decision making at all levels of government. Further, the military retained control over the Ministry of Defense and Border Control. This means that the coercive power of the state and crucial ministries are controlled by people directly appointed by the army chief of staff rather than the democratically elected government.

The peace process is also moving forward at a slower pace than initially anticipated after Aung San Suu Kyi came to power in 2016. At the time of the researchers' field trip in May and June 2017, cease-fire agreements remained intact in the southeastern parts of the country, while in the north conflicts were escalating.57 The current situation is complex, involving the army and a number of armed groups. Some of the armed groups are militias operating under the military, while some remain independent. Among the independent armed groups, some have signed cease-fires with the government and some have not. All of the independent armed groups have different political, economic, social, ethnic, and identity-based grievances that will need to be addressed in peace negotiations, and many will aim for more autonomy and self-determination in a

future federal state. This emphasizes not only the complexity of the peace process in Myanmar but also the need for all groups to be included in a development process that is sensitive to the needs and grievances of each group and that addresses how resources are allocated and distributed in a just way, including for the country's most persecuted group, the Rohingya.

To achieve the goals set out in the 2030 Agenda Myanmar must adopt an approach that is sensitive to conflict dynamics, acknowledging that the country's conflicts are fundamentally about competition over access to and control over land and resources, political authority, and self-determination. An inclusive political process is required to achieve these ambitions. This approach would further take into consideration the many parallel conflicts that exist between ethnic-minority groups and the Bamar majority, as well as between the center and the periphery within ethnic communities, including the majority Bamar population.

This approach will also require knowledge of the drivers of conflict in the particular context selected for a development initiative, including factors that create divisions and breed violence in the community. But it is equally important to understand the factors that can bring people together and curb violence and to draw on these positive opportunities to build bridges between groups divided by conflict. Only by knowing how the intended development project will influence these dividers and connectors can development be sustainable, in line with the goals of the 2030 Agenda. This knowledge and analysis is at the core of the sustaining peace approach and a fundamental principle underpinning the SDGs. Development should not just "do no harm," it should reinforce and foster peace. Lack of insight into conflict dynamics leaves the principle of "doing no harm" to chance, which is not compatible with sustainable development.

Sustaining peace is a process that builds a common vision of society, drawing on the links between peace, sustainable development, human rights, rule of law, and inclusion, all of which are essential to building trust in society.<sup>58</sup> For

<sup>57</sup> In contrast, around ten years ago cease-fires were more or less holding in the north, while conflicts were mainly active in the southeast.

<sup>58</sup> Youssef Mahmoud and Andrea Ó Súilleabháin, "With New Resolutions, Sustaining Peace Sits at Heart of UN Architecture," IPI Global Observatory, April 29, 2016, available at https://theglobalobservatory.org/2016/04/sustaining-peace-peacebuilding-united-nations-sdg/.

Myanmar, this new vision of society must unite the interests of the three main categories of stakeholders identified in this report. In doing so, it has the potential to develop into a new social contract between the state and society, with the state aiming to protect citizens by eradicating violence and offering public service to all, regardless of their ethnic, religious, or political identity or socioeconomic status. Such social contracts will only be successful where there is a high level of inclusion and trust in society, and this is why inclusion and trust are at the core of both sustainable development and peace.

Interviews with officials responsible for SDGs from different ministries revealed a tendency to focus on and prioritize the SDGs that are most relevant to the ministry's portfolio. There was less focus on the interdependency among all the SDGs and how change in one sector will influence another. The 2030 Agenda calls for a holistic approach that appears to be absent from much of Myanmar's practical approach to the SDGs. SDG 17 calls for "new partnerships," or a new way of doing things, which remains a challenge.

### Recommendations

The government of Myanmar has made impressive progress since its adoption of the 2030 Agenda for Sustainable Development. The agenda already underpins the work of all relevant ministries, many of which have developed concrete plans intended to work toward the SDGs. As a result, the government's implementation of the SDGs appears to be on track.

Yet this work primarily represents the vision of only one category of stakeholders in Myanmar: the majority Bamar population and the central government. A more challenging task is to create synergies between work on the SDGs and the visions for peace and development of the two other main categories of stakeholders in the conflict: the ethnic-minority groups that have signed cease-fire agreements with the government and those that have not. This will require addressing more systemic and cross-ministerial challenges, including achieving peace, transitioning from autocratic to democratic power structures, including ethnic-minority populations in development and governance, and balancing economic

growth with environmental sustainability and social equality.

The following are general recommendations to address these systemic challenges:

1. Continue developing national laws and regulatory frameworks in line with international standards and national needs.

The rule of law and equal access to justice are key targets under SDG 16 (16.3). After decades of isolation from the international community, Myanmar is in great need of updating its laws and regulatory frameworks to meet new challenges associated with its transitional processes. Revisions to and development of regulatory frameworks in the main policy areas have been underway since 2011, and new initiatives are being taken in relation to foreign investments, privatization of education, public services, and other issues.

At the same time, the development of regulatory frameworks is instrumental to addressing the systemic challenges mentioned above, including creating peace, ensuring land rights and fair distribution of resources, and developing a functioning democracy. Of particular importance is the development of standard regulations for environmental and social impact assessments and for conflict-sensitivity assessments, particularly in relation to economic development in ethnic-minority areas.

2. Use SDG-related development initiatives to promote inclusion and to re-establish trust in national governance, particularly among ethnic-minority groups.

One of the findings in this report is that there is widespread mistrust toward the central government and government-led development activities in ethnic-minority areas. This mistrust is rooted in decades of negative experiences with such activities, which have generally resulted in the transfer of resources and power from ethnicminority areas to the central areas of the country. Development has been used as a tool to undermine ethnic-minority organizations' authority, legitimacy, and ethnic identity. These experiences constrain many well-intended development initiatives in ethnic-minority areas today, as the local populations perceive projects such as road construction, hydropower development, and development of public services as a form of "colonization" rather than as initiatives that will benefit them and improve their living conditions. An important task will be to reverse the mistrust in the central government by demonstrating how development initiatives in ethnic-minority areas can lead to inclusive development according to the needs and wishes of the local populations, from planning through to execution.

This mistrust is also linked to the process of decentralization currently taking place in Myanmar. The understanding of "decentralization" varies among different groups in the country. While many see the process as mainly a transfer of power to central-government representatives at the local level, ethnicminority representatives advocate for inclusion of cultural and political aspects into the definition of decentralization in order to develop a more pluralistic national society. Yet the constitution remains a barrier for transferring power from the local state counselor's office to the elected state parliament. Such transfer of power is currently illegal, and constitutional reform is needed to advance democratic development. Decentralization thus becomes linked to inclusion, or, in the case of Myanmar, lack thereof. Promoting inclusion also means including nongovernmental actors in governance structures or processes, for example by including civil society actors in the peace process.

3. Continue to develop governance capacity.

Strengthening and developing well-functioning, responsible, and inclusive government institutions at all levels is another key target under SDG 16 (16.6, 16.7, and 16.16.A). Governance structures in Myanmar need to adapt to new challenges related to the country's transitions. Many initiatives to build capacity are ongoing, and important steps have been taken by the government to increase transparency of governance and to end corruption. However, after decades of autocratic rule, this is a process that needs to be developed further.

4. Ensure a balance between economic growth and environmental sustainability.

A key challenge to achieving sustainable development and many of the SDGs is finding the balance between economic growth and socioeconomic development, on the one hand, and environmental sustainability, on the other. Since 2011, Myanmar's economy has become more open, which has resulted in high rates of economic growth. However, economic growth in Myanmar has been associated with exploitation of natural resources, most of which takes place in ethnic-minority areas.

In spite of an increasing focus on these dilemmas in the country's development policies and regulatory frameworks, the environmental degradation caused by the country's current economic development and transition is still severe. A key way to improve this situation is to put in place a regulatory framework that prioritizes preserving the country's natural resources for future development, in line with the essence of sustainable development.

5. Bring sustaining peace into the SDGs.

A core perspective underpinning this report is that sustaining peace and socioeconomic development, and hence the achievement of the SDGs, are highly interrelated. Currently there is a division in Myanmar between the peace process and the development process, with separate actors involved in each. Both peace and sustainable development would have better outcomes if these two processes were integrated.

6. Ensure a cross-ministerial approach to the SDGs.

Although the government of Myanmar has established cross-ministerial working groups for the implementation of the 2030 Agenda, there are signs that it is being implemented through a "siloed" approach. Individual ministries tend to focus only on the SDGs directly related to their own field and responsibility. Hence, crossministry communication and discussion of any dilemmas and trade-offs between the different SDGs should be promoted. This could be achieved through designated mechanisms focusing on the relationships among all of the SDGs, how they are influencing one another, and how these synergies can promote ministerial cooperation and cross-ministerial benefits.



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