Making Peace Possible

The Conflict Resource Economy and Pathways to Peace in Burma

Kevin M. Woods

No. 144 | November 2018
ABOUT THE REPORT
This report examines Burma’s conflict resource economy in the areas along its borders with China and Thailand, focusing on the relationships between extractive and productive resources, armed conflict, and the peace process. Data and analysis are based on the author’s previously conducted interviews, focus group discussions, workshops, and research, complemented by an extensive literature review. The report is supported by the Asia Center at USIP.

ABOUT THE AUTHORS
Kevin M. Woods is a political ecologist and human geographer who specializes in land and natural resource management and its governance reform in ethnic conflict areas. Currently an adjunct fellow at the East-West Center in Honolulu, he has more than fifteen years of applied research and policy work experience in Burma.

Cover photo: A woman walks with children near logs at a timber yard in Burma. (Photo by Soe Zeya Tun/Reuters)

The views expressed in this report are those of the authors alone. They do not necessarily reflect the views of the United States Institute of Peace. An online edition of this and related reports can be found on our website (www.usip.org), together with additional information on the subject.

© 2018 by the United States Institute of Peace

United States Institute of Peace
2301 Constitution Avenue NW
Washington, DC 20037

Phone: 202.457.1700
Fax: 202.429.6063
E-mail: usip_requests@usip.org
Web: www.usip.org

Peaceworks No. 144. First published 2018.

ISBN: 978-1-60127-746-6
Contents

3  Introduction

6  Formation of the Conflict Resource Economy

8  Land, Natural Resources, and Conflict Dynamics

22 Transforming Conflict Resource Economies

29 Conclusion
Summary

Burma’s resource economy has long been defined by armed conflict dynamics. This is still very much the case. Burma’s state and nonstate armed actors have directly or indirectly financed their leaders and insurgent (or counterinsurgent) activities through revenue generated from the extraction, production, taxation, and trade in natural resources such as jade, timber, illicit drugs, and agricultural products.

More recently, successive governments have pushed to open the Burmese economy to broader participation, focusing in particular on procuring large-scale foreign investment. Since 2012, the Union Parliament has passed a range of laws and policies to support a revival of the nation’s resource-based economy. Complementary to these reforms, the national government and the military (Tatmadaw) have been spearheading a national peace process to end the country’s nearly seven-decade armed political conflict. But some prominent armed groups in the China borderlands have so far abstained from participating in the peace process, in part a result of the unresolved politics behind Burma’s conflict resource economy.

Burma’s conflict resource economy dates back to its independence, when the political exclusion of certain ethnic groups led to the spread of ethno-nationalist insurgencies across the country in the 1950s. The rise of the illicit poppy economy during the Cold War transformed the nature of these conflicts. In the late 1980s, as the Cold War came to a close, some ethnic armed organizations (EAOs) signed ceasefires with the Tatmadaw. Yet these ceasefires never resulted in political dialogue or any settlements on resource governance and benefit sharing with the military-led government. Instead, the state militarized, and EAO, Tatmadaw, and paramilitary leaders looted a range of natural resources to generate revenue and gain state patronage, with counterinsurgent outcomes.

This decade has seen the advent of a national peace process and the signing of a Nationwide Ceasefire Agreement with many EAOs. Despite this progress, the land and resource sectors and their reform have received minimal attention in ongoing peace dialogues. As a result, core political questions—who has use and management rights over Burma’s natural resources, and how will the revenues from their exploitation be distributed and for what purposes—remain unresolved and therefore continue to fuel armed conflict. Yet with a concerted effort backed by strong political will, Burma’s conflict resource economy can be overhauled and replaced by a more robust, accountable, and equitable system that can help lay down the pathways to peace.
Since 2011, two Burmese government administrations—under U Thein Sein and Daw Aung San Suu Kyi—have implemented various reforms to overcome political and economic challenges. Incremental institutional reforms have opened new pathways for people’s voices to be officially heard for the first time since the military took power in the 1960s, but not without significant setbacks along the way. Burma’s leaders, with advice from foreign experts and institutes, have pushed to open the economy to broader participation, focusing in particular on procuring large-scale foreign investment to help kick-start the world’s newest frontier economy. Since 2012, the Union Parliament has passed a range of laws and policies to support a revival of the nation’s resource-based economy. Government ministries—following what is often a post-conflict economic growth strategy in resource-rich countries worldwide—have been capitalizing on the country’s natural resource base and global market potential for hydropower, timber, minerals and gems, agricultural products, and land.

Complementary to political economic reforms, the national government and military have also been spearheading a national peace process to end the country’s nearly seven-decade armed political conflict. In response, some prominent ethno-nationalist armed opposition groups have signed ceasefires with the new government. In Burma, these groups are
commonly known as ethnic armed organizations (EAOs) and are differentiated from nonstate armed groups (NSAGs), which either are not ethnic, such as the Communist Party, or whose political positions and activities are not or no longer against the state per se. (See table 1 for a typology of Burma’s armed actors.)

One of the most important EAOs to sign a bilateral ceasefire agreement this decade was the Karen National Union (KNU) and its armed wing, the Karen National Liberation Army, one of the most prominent and oldest in the country, located in the southeast along the Thai border. Many EAOs that have signed bilateral ceasefires in this decade are also signatories to the government’s multilateral peace initiative, since 2015 known as the Nationwide Ceasefire Agreement (NCA). Other EAOs, however, abstained from signing either a ceasefire or the NCA—mostly those based along the Chinese border, which did not feel that they benefited from a first round of ceasefires signed two decades earlier. Most notable among them is the Kachin Independence Organization (KIO) and its armed wing, the Kachin Independence Army, which operates in Kachin State and in parts of northern Shan State. EAOs in northern and northeast Burma that did not ink new ceasefire agreements this decade have subsequently gone back to war with Burma’s Union Armed Forces (Tatmadaw). As this report makes clear, war returning to the China borderlands is in part a result of the unresolved politics behind the conflict resource

Table 1. Typology of Armed Actors in Burma

<table>
<thead>
<tr>
<th>Term</th>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonstate armed group</td>
<td>NSAG</td>
<td>armed groups outside the government’s military</td>
</tr>
<tr>
<td>Ethnic armed organization</td>
<td>EAO</td>
<td>ethnically based NSAGs who are politically opposed to the state</td>
</tr>
<tr>
<td>Rebel/insurgent</td>
<td>–</td>
<td>organization engaged in armed resistance against the state</td>
</tr>
<tr>
<td>Militia/paramilitary</td>
<td>–</td>
<td>NSAGs serving the interests of the state (to varying degrees)</td>
</tr>
<tr>
<td>Border Guard Force</td>
<td>BGF</td>
<td>government force comprised of former EAOs or paramilitary groups, established in 2009 and 2010</td>
</tr>
<tr>
<td>Tatmadaw</td>
<td>–</td>
<td>Burmese for the Union Armed Forces</td>
</tr>
</tbody>
</table>
Since the 1990s, the resource economy in Burma, especially in its resource-rich ethnic periphery, has been defined by armed conflict dynamics.

Much progress has been made in finding new pathways to peace in Burma in recent years, but setbacks have also been significant.

Since the 1990s, the resource economy in Burma, especially in its resource-rich ethnic periphery, has been defined by armed conflict dynamics. This is still very much the case. Burma’s state and militia actors in large part have directly or indirectly financed their leaders and insurgent (or counterinsurgent) activities by natural resource extraction, production, taxation, and trade. Conflict resources refers to the multiple ways in which the natural resource extraction and production (such as poppy and other agricultural commodities) sectors intertwine with and exacerbate armed political conflict. Conflict resource economy refers to conflict resources that directly generate revenue for the country’s various armed actors and institutions, either legal or illicit, and thereby contribute directly or indirectly to armed conflict dynamics. This report reviews the conditions and factors that have shaped how Burma’s resource economy intersects with armed political conflict.

The first round of ceasefires with EAOs, which started in 1989 after several groups split off from the Communist Party of Burma, never resulted in political dialogue or any settlements on resource governance and benefit sharing with the military-led government. Instead, the state militarized, and EAO, Tatmadaw, and paramilitary leaders looted resources—a phenomenon conceptualized as ceasefire capitalism. Granting former rebel leaders resource concessions and the right to tax bought their political patronage. Resource concessions also in a sense spatialized state power and administration, adding another dimension of statebuilding operatives during this ceasefire period.

The ceasefire agreements with EAOs since 2011 and the multilateral NCA offer new opportunities to address the conflict resource economy directly and to mitigate its role in fueling armed conflict. So far, though, we are seeing much the same as during the first period of ceasefires: business deals in lieu of politics but that do not address key political demands. This can be managed. Land and resource ownership issues and benefit-sharing arrangements in peace policies need to be recognized as opportunities to meet environmental peacebuilding objectives.

Global environmental good governance mechanisms and new domestic legislation on land and natural resource reforms, however, come up against the country’s poor record on transparency, accountability, and governance. Moreover, although the national peace process offers hope for ending decades of armed conflict, so far issues related to land and natural resource ownership and benefit sharing have been limited in ongoing peace dialogues and adopted principles. Tatmadaw representatives and many high-level government officials continue to push aside addressing who has what rights to benefit from the natural resource economy and under what terms. How land and natural resources are to be governed—not simply what percentage of revenue is to be distributed to armed conflict actors, government, and wider society—must be resolved through meaningful political dialogue and careful implementation. The country and its peace process are currently at a crossroads: now is the time to transform the conflict resource economy into one that promotes equitable and sustainable economic development that is more accountable and transparent.
In response to political exclusions in the creation of the Union of Burma, ethno-nationalist insurgencies spread across the country beginning in the early 1950s, soon after the country’s independence. These armed conflict dynamics intensified during the Cold War era as the Burma-China borderlands became ensnared in the US-China and wider Indo-China political theater. The rise of the illicit poppy economy during that time also transformed the nature of the conflict, at least in the China borderlands where poppy production was centered. For many EAOs, especially in the north, the politics of insurgency and the generation of illicit revenues from the production, tax, and trade in opium during and after the end of the Cold War became inseparable.

Bertil Lintner asserts that the ceasefires were paramount in their influence on shaping the drug trade: “Economic reforms were also aimed at diverting the attention of the population at large from politics to making money—and in SLORC’s Burma [the name of the military regime at that time], many businessmen flourished, especially the drug traffickers.” Armed organizations also often had gentlemen’s agreements with state agents, who purchased opium in exchange for more arms, on the other side of the border in Thailand and China’s Yunnan Province. One of the most prominent strongmen was Lo Hsing Han (in Chinese pinyin, Luo Xinghan), the infamous Kokang Chinese “kingpin of opium” in what has been known as the Golden Triangle. These Cold War tactics changed the nature of the conflict resource economy such that by the 1970s, ethnic political conflict and the illicit drug trade became interdependent. From these building blocks of the Cold War’s illicit drug economy operating in northern Burma, revenue capture from conflict resources by armed actors took shape.

The region’s geopolitics changed dramatically in the late 1980s as the Cold War came to a close. Burma’s underground armed Communist Party folded in 1989. EAOs splintered off, some signing bilateral ceasefires with the Tatmadaw. Crucially, the Tatmadaw applied the same strategy to these breakaway groups that it had to the people’s militias decades earlier. Some EAOs stopped openly fighting against the Tatmadaw in exchange for the right to engage in a range of state-protected economic pursuits in lieu of political ambitions. Former rebels also retained their territories, troops, and arms—and in some cases even got additional arms from the military. And, like their former brothers-in-arms before them, these new ex-rebel leaders during the 1990s and 2000s also began to more aggressively extract and directly tax various valuable resources, especially poppy. Meanwhile, regional military commanders in the north, northeast, and parts of the southeast granted resource concessions to their business partners in government-controlled territories now under ceasefire agreements, sometimes in partnership with paramilitary leaders in reward for their allegiance to the military-led government.
Beginning in the mid-1990s and in full swing by the 2000s, nonstate armed groups—both EAOs and paramilitaries—became heavily involved in the nonpoppy resource economy. Logging and mining became especially prevalent economic activities. This transition happened first along the southeast border with Thailand in areas under control of the KNU (but less so in areas controlled by the New Mon State Party). In the early 2000s, the resource economy began to boom in the north and northeast along the China border, where Chinese companies conducted business with a litany of armed groups and cronies. Since the mid-2000s, these business dealings have also included industrial agriculture, especially rubber, linked in part to China’s opium substitution program. Although not an extractable natural resource, land and the production of industrial agricultural commodities play a similar role to extracted resources—that is, generate revenue, have social and environmental effects on local communities, and renew grievances. Large-scale Chinese-financed hydropower dams also started to come online in the 2000s, especially in Kachin State and Shan State, resulting in forced displacements and further militarization.

Land and resource concessions were granted predominantly by higher-level Tatmadaw officials in the national and provincial capitals as a way to generate personal revenue and a growing political and economic power base. In other cases, especially for smaller deals, foreign investors dealt more directly with NSAG leaders and largely bypassed government and military officials, essentially decentralizing the resource conflict economy. These scenarios created the conditions described earlier as ceasefire capitalism, where the military and its state apparatus increasingly gained control over land, resources, and rents in partnership with politically compliant armed leaders. Instead of outright warfare, a Burmese general’s token phrase of “development for peace,” fashioned as a type of postconflict development, began to shape governance regimes over land, resources, and populations. The current state of affairs in the conflict resource economy under what is now the country’s national peace process originates from these historical formations.
Throughout the formation of Burma’s conflict resource economy since the Cold War, the military-led government has sought to capture rents from the resource economy. The various conflict actors that fall under the state—recognized here as the Tatmadaw, paramilitaries, the government, and to some extent military-backed “crony companies”—are involved, in different capacities, in the state’s attempts to capture segments of revenue streams from the conflict resource economy. In certain instances, these are more a matter of everyday common corruption, such as taxing caravans as they pass through military and government checkpoints. In others, military and government officials orchestrate large-scale land and resource deals that clearly contravene state laws, or at the very least ignore customary claims. However, international norms of illegality often differ from that of Burma’s legal culture: illegality in the resource sector is usually defined by the Burmese military and government as involving insurgent groups (now labeled terrorists); meanwhile, state involvement in resource transactions is defined as legal on the grounds that it proceeds from within the domain of the state (as the rule maker). For example, the government declares all timber that passes through EAO checkpoints as illegal but ignores the fact that timber crossing government and military border checkpoints is also technically illegal according to their own legal directives.21
In ethnic territories where the government and military lack legitimacy in the eyes of many of the ethnic minority inhabitants, villagers view the land and natural resources in their vicinity as customarily belonging to them, not the state.

Given this complex terrain on the politics of legality, it is more fruitful here to discuss the state’s involvement in the capture of rents from the conflict resource economy, regardless of whether the government or military defines the actions as legal or illegal. The state capturing resource rents also means that resource revenue flows are diverted away from insurgent organizations. The state at times legalizes its involvement in what would otherwise be illicit activities. In practice, however, the main factor that changed was only who gets to control and profit from the resource deals, not the manner in which resources are sustainably managed or to whom and how the benefits are shared.

The politics of legality and the state’s capture of resource rents in part depend on the political geography of resources and their deal making. In areas fully under government control, especially in Bamar—or Burman, the ethnic majority—lowland areas, the government’s political authority to carry out resource deals is perhaps less challenged by local residents or the national citizenry. The political governance operating in these areas creates the conditions for state institutions to be more present, better functioning, and socially legitimate, thereby more fully able and capable to apply government laws, as well as potentially hold government agencies more accountable for poor practice or corruption. But in ethnic territories where the government and military lack legitimacy in the eyes of many of the ethnic minority inhabitants, paramilitaries largely operate on behalf of the state. In these resource-rich ethnic conflict areas, villagers view the land and natural resources in their vicinity as customarily belonging to them, not the state. The politics of state resource capture in the ethnic periphery is therefore confronted by aggrieved minority populations who view the state’s attempt at diverting resource rents toward the Union government (and military) as a hostile affront to their ethnic-based political struggle and what they feel are their indigenous rights, as well as curtailing their agrarian resource-based livelihoods.

**THE GOVERNMENT’S DOMAIN**

Government-managed resource extraction in areas with a strong government presence and wide social legitimacy among the local population does not directly contribute to armed conflict dynamics, mainly because NSAGs do not operate in such areas. But some have argued, especially during the previous period of military rule, that these multimillion- and even multibillion-dollar resource deals indirectly contribute to armed conflict dynamics by raising revenue for the government’s military institutions, thereby financing counterinsurgency and other war-making instruments. This argument was much more prominent during the 1990s and 2000s, when the military regime was nearly bankrupt and carrying out expansive military operations against EAOs. Since the reforms of this decade, however, the discourse on the politics of investment and resource-revenue capture by the state has shifted significantly. Many now see government revenue from the natural resource sector as necessary to jump-start the national economy. The exception to this normalizing narrative is growing awareness of billions of unaccounted government revenue in the oil and gas, jade mining, and forestry sectors, as revealed in recent public reports.

It has been less common for the Burmese government to directly conduct resource-related projects in territories under full EAO control, or even in jointly administered territories. Government agencies have
less control and authority in these areas, and often security concerns or lack of authority mean that they cannot complete the transactions. Even in territories where the EAO in authority is an NCA signatory, the government still has limited authority to administer “development” projects, including for resource extraction. Insecurity for government officials, however, does not deter the government from allocating and subcontracting resource concessions to investors, both domestic and foreign. This is especially the case for multibillion-dollar, bilateral, foreign-financed projects, such as the Myitsone hydropower dam at the confluence of the N’mai and Mali rivers in Kachin State. In these cases, when a state-backed land or resource concession is in a territory under the authority of the EAO, the area in and around the concession (some of which are tens and even hundreds of thousands of acres in size) becomes in effect state controlled and administered, thereby in part achieving counterinsurgency aims.

Different branches of government may be involved in the conflict resource economy in other ways as well. In addition to contracting out business deals to government- or military-backed private business leaders, the government may be engaged in illegal activity by not following their own laws, are guilty of corruption, or allow government-regulated resources to be taxed or exported through EAO-held checkpoints. Government-led business activities that directly involve NSAGs (both paramilitaries and EAOs) directly contribute to armed conflict dynamics by offering opportunities for armed organizations to generate revenue that sustains them. For example, the government largely orchestrates logging and associated timber trade in areas in northern Burma (especially Sagaing Region) it controls, as well as granting jade licenses. But the timber and jade are exported across the Chinese border, and both are well known to enrich both paramilitaries and EAOs, who tax the trade as it passes through their territories en route across the border.

**TATMADAW INVOLVEMENT**

A more prominent state institution involved in the conflict resource economy is the Union Armed Forces, or Tatmadaw. The Tatmadaw has long relied on resource revenues to finance the institution, bankroll the leaders, and sustain local battalions. Economic incentives for the Tatmadaw and its officials have been made even more severe by the well-known but unspoken rule that Tatmadaw commanders (and soldiers) are responsible for generating the funds to maintain themselves and their units. This includes soldiers producing their own food, which has led to countless land grabs in the vicinity of Tatmadaw battalions. Tatmadaw commanders must also kick up large sums to their superiors in the chain of command; commanders who are rewarded by being posted in a resource-rich command area are expected to handsomely financially benefit not only themselves, but also those above them.

Burma’s state-owned economic enterprises are nominally under military control and generate undisclosed revenues that in part bypass government treasuries. The Defense Ministry also owns and operates two major companies, Myanmar Economic Holding Ltd. and the Myanmar Economic Corporation. These companies generate substantial profits from a range of commercial services in the country, including natural resources, and accrue massive personal wealth for their top shareholders in the military. The head of the board of Myanmar Economic Holding, for example, is the commander-in-chief of the Tatmadaw.

Political and economic reforms this decade have sought to divert these military resource revenues into civilian government coffers so as to provide greater benefit to the nation and its people. International environmental good governance mechanisms further support these efforts. Although new multibillion-dollar contracts go through relevant government agencies, a lack of transparency and accountability still shrouds these contracts in terms of who benefits and by how much. Shell companies (and who directs them) are deliberate-
In the 2000s, four of the five top Burmese banks were run by well-known Sino-Burmese cronies. Three of these individuals have been directly tied to the illegal drug trade in Shan State, where they first made their riches.

By the early to mid-2000s, crony companies became an additional conduit for Tatmadaw revenue-generating activities in conflict-affected areas. Military officials contracted the country’s most well-financed cronies to build physical infrastructure, including in remote forested areas previously marked as insurgent “black” territory. In return for their service to the state, cronies received lucrative economic opportunities—especially land and resource concessions in other parts of the country—in addition to the right to log along the infrastructure corridors they constructed. Top military and state officials, through various webs of familial and business relations, were often company shareholders. One well-known example of crony capitalism in these ceasefire territories is Htay Myint’s Yuzana Company being awarded the country’s largest agribusiness concession, located in western Kachin State in Hugaung (Hukawng) Valley, an area partially controlled by the KIO. The KIO is not known to have financially benefited from this concession, and it lost considerable territorial control in this geopolitically strategic valley as a result.

Cronies carrying out military-backed resource deals generate significant revenue for military leaders and their institution through their benefit-sharing arrangements (whether contractual or verbal) as well as other informal bribes paid down the commodity chain (extraction, transport, and trade). Moreover, in exchange for extraction permits, crony companies provide various other services to the military, such as infrastructure development into rebel territories. Road and bridge construction has been shown to directly contribute to further militarization and attacks against EAOs and nearby populations because the Tatmadaw uses them.

In all these cases, the established trend is further militarization and forced population displacement from areas.
CASE STUDY: Jade Mining

The world’s highest quality jade, found primarily in parts of western Kachin State, became one of the primary resources for rebels in the China borderlands. The Kachin Independence Organization (KIO) had taxed the trade with Chinese merchants since they took up arms in the 1960s, and it contributed significantly to their revenue. Once jade mines were mostly nationalized in the early 1990s, the military began handing out jade mining concessions to the ethnic armed organizations they wanted to draw closer into its orbit.

Today the jade industry involves many of the country’s most powerful armed actors, from the Tatmadaw to paramilitaries to EAOs, generating billions of dollars of revenue every year—much of which remains unaccounted for.¹ The Tatmadaw holds official stakes in the jade industry through its companies Myanmar Economic Holding Ltd. and the Myanmar Economic Corporation, which fuels perceptions that jade revenue helps underwrite the army’s war against the Kachin. Some of the nation’s most prevalent crony companies also have plentiful jade concessions from the military, such as Asia World, Htoo Group, and Ever Winner.²

Some of the first concessions in Kachin State were granted to the United Wa State Party (UWSP) leadership after their ceasefire agreement with the Tatmadaw in 1989. After UWSP leaders began to amass huge sums of cash from taxing and trading jade, former rebel groups, such as Khun Sa’s Mong Tai Army and the Chinese nationalists’ Kuomintang, as well as mainland Chinese businessmen, began to loosely affiliate themselves with the UWSP to gain access to the jade business by proxy. UWSP’s territory on both the Thailand and China borders also provided them with crucial cross-border trade access. Foreign businessmen and leaders of Burma’s nonstate armed groups paid generous commissions to UWSP for their jade facilitation services.³ The UWSP’s jade revenue also presented an opportunity—by having UWSP-linked traders overbid on their own gems at the national gems emporium—to launder drug money.⁴

Today the jade business continues to help prolong the armed conflict in northern Burma in several ways.⁵ The companies and families linked to the Tatmadaw who own jade concessions have a vested business interest in keeping the war going. They could potentially lose vast financial sums should the central civilian government gain full control over the jade mining industry—a so-far empty campaign promise made by Aung San Suu Kyi in the lead-up to the 2015 elections. Meanwhile, Tatmadaw officers operating in Kachin State are personally profiting handsomely from bribes by jade businessmen, whose continued presence they also want to ensure. Paramilitary organizations generate revenue through production and taxation as well, funding their leaders and their small armies for counterinsurgent activity against EAOs. Finally, EAOs currently at war, in particular the KIO, generate significant funds from the jade sector, thereby prioritize their control over jade mining territory, taxes, and trade. Over the past few years, the Tatmadaw carried out military offensives to push KIO units out of mining areas, resulting in thousands more Kachin villagers fleeing to camps for internally displaced persons.

Notes
2. Ibid., 11.
3. Ibid., 63; interview, KIO Technical Assistance Team office staff, Myitkyina, March 2015.
4. Lintner and Black, Merchants of Madness, 119.
5. Global Witness, Jade, 14.
in the vicinity of concessions. The state’s security forces militarize the perimeter and secure a corridor to access it from the nearest main road to ensure that EAOs and local villagers (as well as media, NGOs, and researchers) cannot gain easy access. Villagers whose lands are part of the concession area are forcibly removed, often with no or very little financial compensation and usually with no relocation site. They are left on their own to find a new place to settle, often resulting in further compounding conflicts. When relocation sites are provided, villagers have reported them unsatisfactory in terms of cultural norms of habitation and farmland quality. The creation of militarized zones around concession sites has in many cases led to violence against local populations still in the vicinity, including rape and forced portering. The list of abuses exacerbates economic and political ethnic grievances, which in turn can increase support for the EAO operating in that area. In these cases, local populations often perceive the EAOs as the best available protection against abuses by the state.34

NONSTATE ARMED GROUPS
Apart from the Tatmadaw, the other two main armed actors fueling the conflict resource economy are paramilitary organizations (or people’s militias) and EAOs, collectively referred to in this report as nonstate armed groups. Thai and Chinese cross-border investment over the past two decades has led to increased opportunities for NSAGs to conduct business with companies across the border. Timber and mining were prevalent along the Thai border beginning in the early 1990s and moved up to the China border in the late 1990s. Chinese investment in agribusiness deals in Burma took off in the mid-2000s, making the north and northeast of Burma the newest region for rubber production, for example. Chinese agribusiness companies, backed by China’s opium substitution program, made deals with NSAG leaders who had the political power and territory to secure large land areas for the investors.

In the wake of this decade’s reforms, state-backed Thai and Chinese investments in special economic zones have once again redefined the conflict resource economy. For example, infrastructure linking the Dawei economic zone in Tanintharyi Region traverses KNU territory and includes several checkpoints along the way to the new official Thai border crossing. Infrastructure projects financed under China’s Belt and Road Initiative run through rebel-controlled and taxed territories, and have even begun shaping peace negotiations with rebels belonging to the Northern Alliance.35

PARAMILITARY ORGANIZATIONS
Throughout the Cold War and afterward, the Tatmadaw coaxed EAO leaders to the side of the state with the promise of more expansive state-protected access to resource rents. EAO leaders would mutiny with some of their more loyal soldiers and start their own paramilitary group with their own territory of influence, supplemented by weapons and a monthly budget under the Tatmadaw.36 These ex-rebel militia business leaders capitalized on their positions as former insurgents with control over territory and local militia troops. They could throw themselves even more into extracting and taxing valuable resources, especially opium and then methamphetamines, because they were no longer involved in revolutionary politics.37 Such a change in tactics was critical to the development of military state governance in ceasefire zones:

The very existence of such co-operative schemes involving former battlefield foes decisively changed the military and political balance in much of the country; by vigorously entering the economic field, the Tatmadaw was to have far more success in seizing the local initiative from armed opposition groups than it had ever had.38
In other cases, paramilitary groups arranged their resource deals themselves with little oversight from Tatmadaw commanders. The military government allows a certain level of activity at the local level, as long as these autonomous activities remain isolated from provincial capitals and far from the remit of Naypyidaw. This is most prevalent with smaller-scale logging and agribusiness investments by Chinese companies, where profits and concession areas tend to be smaller. For these lesser-known resource deals, Tatmadaw and government officials in the locale may not be directly involved, though it is expected that they receive kickbacks from paramilitary leaders or the foreign investor (or both).39

In addition to providing greater revenue streams to paramilitary leaders, large-scale land and resource concessions owned by paramilitary leaders have led to greater militarization in the vicinity. Often enough, ethnic minority farmers, who usually do not hold official land titles because they operate informally under customary norms, are forced to abandon their farm plot, and in some cases their entire village, when it is located within the concession area. Sometimes farmers are forcibly relocated into military-patrolled village hamlets along main roads under government administration and policed by the Tatmadaw; other times, villagers are left to seek out their own alternative living and livelihood arrangements. The concession area becomes de facto private property and is often gated. If the area is difficult to access, the paramilitary or crony company will build access roads, which in some cases has facilitated further Tatmadaw movements into these more remote areas. These new paramilitary-controlled territories effectively block EAO movements and activities given that EAOs no longer have the material or political support of the local population in their absence. This territorialization process facilitated by large-scale
Starting in the 1990s, ethnic armed groups that had ceasefire agreements with the government conducted resource deals with Tatmadaw leaders, national crony companies, local headmen, and foreign investors, leaving a wake of deforested and mined hillsides in their path.

Resource concessions further entrench paramilitary organizations in the local economy and further stake out their defined territory vis-à-vis nearby EAOs.

**ETHNIC ARMED ORGANIZATIONS**

EAOs, much like the paramilitaries from which many of their leaders came, have also generated significant revenue from the conflict resource economy. EAOs used the opium economy of Shan State and parts of Kachin State since the 1950s to fund (to varying degrees) their administrative departments and military services. Starting in the early 1990s, EAOs under ceasefires financially benefited from these arrangements by orchestrating the country’s underground resource economy, which then expanded beyond illicit drugs. Those with ceasefires were able to bolster their political and economic positions vis-à-vis Burma’s military-led government to cash in even more on the resource wealth found within their administrated territories. Ceasefire groups conducted resource deals with Tatmadaw leaders, national crony companies, local headmen, and foreign investors, leaving a wake of deforested and mined hillsides in their path.

The emergence of ceasefire capitalism in more remote territories under the control of ceasefire groups had significant political ramifications for the remaining insurgent groups as well. For groups who remained so-called enemies of the state, the Tatmadaw and the paramilitaries they could call upon tried to prevent EAOs without ceasefires from capturing those revenue streams. For example, the military offensive the United Wa State Army conducted against Khun Sa’s Mong Tai Army (MTA) on the Thai border—to the political benefit of the Tatmadaw—and Khun Sa’s subsequent surrender in 1996 pushed the MTA out of the territorial position to tax cross-border trade. With the MTA no longer manning the Thai border, the KIO also lost its cross-border trade access (via MTA proxy) to Thailand. EAOs that continued to fight against the Tatmadaw were being squeezed out of the resource economy (the stick), whereas those that signed ceasefires were brought into the country’s formalizing resource economy that offered them new economic opportunities (the carrot).

The KIO’s shifting involvement in the resource economy illustrates well the particularities of ceasefire capitalism and the dynamics of the conflict resource economy. After the KIO lost control over the jade mines in the early 1990s, it was forced—to adequately fund its standing army and administrative departments—to look for alternative revenue-generating activities that would amount to many millions of dollars. It turned to the only other resource wealth it had territorial control over: high-value timber. By the 2000s, Kachin State witnessed a deforestation crisis. Although some of the timber was transported to Yangon for legal export and therefore kept rent-seeking opportunities mostly for the Burmese government and military, it is estimated that a much larger percentage of timber went overland to China and instead was taxed by the KIO.

The KIO therefore was able to sustain itself during the ceasefire period in part by facilitating and taxing the logging epidemic in Kachin State. KIO leaders fashioning themselves as businessmen rather than revolutionaries influenced both the KIO’s internal politics and the group’s relations with their Kachin civilian constituency. Kachin civilians witnessed a handful of top KIO (and Kachin Independence Army) officials amass great personal wealth through the jade trade, and then logging and agribusiness, among other business deals, mostly to Chinese companies. The 2001 coup against the former KIO chairman, General Zau Mai, to take one example, was reportedly triggered by discontent among ordinary Kachin, as well as some less corrupt KIO officers, who...
felt that his business dealings with Burmese generals and Yunnan companies led only to privately accumulated profit and not to the greater good of Kachin society. In the lead-up to the political transition of this decade, the Tatmadaw requested that ceasefire groups become Border Guard Forces under their authority. Some paramilitary groups, such as Zakung Ting Ying’s New Democratic Army-Kachin, readily agreed, further cementing their political authority over their border territory and the associated cross-border resource trade. Many refused, however, on the grounds that the military-led government had failed to deliver on its promise for political dialogue after the transition to a democratic government. Ethnic minorities saw disgruntled ethnic civilians, a deteriorating natural environment, Tatmadaw militarization, and the Burmanization (and Buddhist-ization) of state-society relations as undesired products of the neither peace-nor-war condition the ceasefire ushered in. The government’s promise of “development for peace” fell far short of expectations.

The return to war between the Tatmadaw and several EAOs in the north and northeast soon after President U Thein Sein’s government took office in 2011 had profound implications for the political economy of resource conflict in the China borderlands. For example, the KIO regained its previous prominence in the Hpakant area after the ceasefire broke in 2011, sought to increase its ability to engage in jade rent-seeking behavior to help subsidize its rebel activities, and soon began to systematically tax jade mining companies. Its jade tax funds must have been impressive: in 2012 Naypyidaw suspended jade mining extraction and trade altogether because, according to the government, it could no longer guarantee company security from KIO attacks. Presumably because the KIO did not attack any companies, the government strategy was instead to simply block KIO jade rent seeking. Smaller companies linked to the KIO and artisanal miners continued to ply their trade, but their significantly reduced operations meant far fewer KIO-generated funds. Naypyidaw resumed jade mining by September 2014, and associated trade profits began to accrue once again to the government, cronies, paramilitaries, and the KIO. The jade mines in Hpakant have become a battlefield in two senses of the word: over who has the right to engage in rent-seeking opportunities, and as a war to push out KIO units from jade-producing (and taxing) areas.

For EAOs that either signed bilateral ceasefires since 2011 or became signatories to the Nationwide Ceasefire Agreement, the Tatmadaw and civilian-led government have offered various peace deals. For example, as a financial award for political allegiance, the state offered car import permits to EAO ceasefire leaders such as those of the KNU, Democratic Karen Buddhist Army, New Mon State Party, and All Burma Students’ Democratic Front—the more prominent EAOs receiving more. Other examples illustrative of resource peace dividends to EAO NCA signatories fall under the government’s new Business for Peace platform (see agribusiness case study).

**ARTISANAL RESOURCE ECONOMIES**

The artisanal resource economy—defined here as that which informally employs small-scale subsistence resource users—is an important yet understudied and little-known sector. Reliable figures on the number of people working in Burma’s artisanal resource extraction sector (who generally rely on basic nonmechanized working instruments) are not available. The number of people in Burma who informally engage in the unregulated small-scale resource extraction sector is presumed to run into the many millions when the mining, forestry, fisheries, and poppy economies throughout the country are considered. The percentage of the working population informally working in the artisanal resource sector is assumed to be even higher in ethnic conflict areas rich in natural resources but with few formal employment options. Despite being unregulated and having significant impacts on the environment and human health and security, the artisanal resource economy nonetheless provides an economic lifeline, however minimal and
precarious, to poor households. Since 2011, government administrations have sought to reform the rural economy so as to formalize, and in effect industrialize, the artisanal resource economy, whereby former subsistence workers would be formally employed by companies using more industrial methods and labor regimes.

In general, two subsets of the national population rely on subsistence-level work in the informal resource economy. Landless migrants, who are predominately Bamar Buddhists, especially from land- and economically-poor parts of the country such as the Central Dry Zone, are prevalent in the agriculture and resource extraction wage labor economies. This population of artisanal workers tends to migrate to areas far from its original home in search of on- and off-farm work. This means that Bamar Buddhists, for example, may temporarily settle and work in a resource-rich area that is predominately inhabited by ethnic minorities who are commonly not Buddhist. Given the ethnic and religious identity context of armed conflict in the country, this social dynamic has been known to aggravate tensions when located in non-Bamar or non-Buddhist communities.

Ethnic minorities, especially men, living in the vicinity of where these resources are often located represent the other subset of artisanal workers. For example, it is not unusual for at least one male member of a Kachin household in Kachin State to temporarily move to Hpakant to work in the jade mines, or a Palaung male household member in Shan State to move around to different forested areas in their surrounding townships to work in small-scale timber harvesting or charcoal production. The ethnic makeup and social dynamics of artisanal workers in each industry fluctuates according to resources and geographical location.

The mature seed pods of the opium poppy produce a milky latex sap that is used to manufacture narcotics such as heroin. (Photo by onecearvision/iStock)
The artisanal sector that has received the most attention and is presumed the largest employer is mining, particularly in jade mines in western Kachin State in and around Hpakant. One striking figure from the Ministry of Natural Resources and Environmental Conservation estimates more than four hundred thousand people work in the gemstone mines in northern Burma alone as so-called hand pickers. This work is known to take place in highly dangerous conditions; workers sort through waste rock left over by large-scale company operations in search of remnant gemstones. Recent media coverage on the high number of deaths from landslides has brought greater attention to the need to regulate artisanal mining, especially in the jade sector.

The artisanal resource economy relates to armed conflict dynamics in multiple and overlapping ways. At times, an artisanal laborer may work independently but at other times may be informally organized or partially regulated by NSAGs, either as an NSAG soldier (when called upon) or taxed by NSAGs. In other cases, workers may be forced to pay taxes or other forms of bribes, such as a so-called protection tax, to the Tatmadaw or NSAGs. Underlying social and ethnic conflicts have in some cases been heightened by the in-migration of laborers to areas predominantly inhabited by a different ethnicity. Relatedly, rural areas caught in war that have been cleared of ethnic minority villagers are often then settled (temporarily or permanently) by landless migrants who engage in the artisanal economy nearby. These migrations into war-affected, resource-endowed areas jeopardize land restitution and the safe and secure return of internally displaced persons (IDPs) and refugees.

Artisanal workers are commonly forcibly taxed by state and nonstate armed leaders. Government officials call it a permit to operate; Tatmadaw officials and NSAG leaders call it a protection tax. If news spreads, as it often does, of a particularly lucrative resource find, such as a large ruby or jade rock, the worker’s find is liable to be stolen by an armed actor under the threat of violence, and then state and nonstate armed groups often move into the area to set up bigger operations.

It is also common for male workers in the artisanal sector to use illicit drugs, especially heroin and methamphetamines. Their bosses use these drugs both as a currency to pay addicted workers as well as a way to temporarily overwork an already beleaguered labor force. The drug economy itself, it should be noted, is a resource sector mostly controlled by NSAGs.

Examined from a different perspective, the artisanal resource sector also potentially helps mitigate armed conflict dynamics. For one, the informal resource sector absorbs millions of impoverished laborers, many of whom were made more destitute and desperate from the ravages of war. In some cases, an entire conflict-affected household in part or wholly relies on a family member informally working in the unregulated resource economy. In an armed conflict setting, this means that a male household member has an additional potential income-earning option other than becoming a soldier. Often young men become soldiers not out of political inspiration, but out of economic necessity because it presents the only way to gain access to some sort of livelihood, if temporary, highly precarious, and potentially dangerous.
IMPACTS ON THE ENVIRONMENT, HUMAN RIGHTS, AND SECURITY

The resource economy has directly and indirectly caused significant ecological degradation. Communities in and nearby areas targeted for resource extraction (mining, logging, oil and gas, hydropower) and production (agribusiness, reforestation) have also been adversely affected. Rural communities’ socio-cultural systems, land tenure security, human rights, and human security are often jeopardized by land and resource deals. Land confiscation, in-migration of wage laborers, increased militarization, curtailment of villagers’ agricultural livelihoods, and environmental damage are all highly likely to result from large-scale land and resource concessions, though less so from artisanal exploitation methods. These detrimental impacts are likely to reinforce or exacerbate grievances. When they take place in ethnic conflict areas, the effects generate feelings of exclusion from the building of the (Bamar, Buddhist) nation-state, and thus further contribute to conflict dynamics.\(^{58}\)

The environmental impacts from large-scale resource extraction and production are well known and documented in Burma.\(^{59}\) Despite an environmental conservation law in 2012 and new social and environmental impact assessment procedures in 2016, few resource extraction or production projects have been known to follow the clauses and procedures to protect the environment and the surrounding population.\(^{60}\) Community members who lost their rural livelihood as a result of the surrounding ecological degradation, or lost their land- and resource-use rights and access, were more likely to then enter into the conflict resource economy as day laborers or artisanal producers, thus potentially furthering environmental harm and contributing to armed conflict dynamics.\(^{51}\)

The location of a land- or resource-based project in the vicinity of a village, even if smaller scale, can also lead to community and individual household loss of land and curtailment of resource-use rights and access. In fact, one of the most prevalent and heated issues during this transition period is land grabs. Land grabs that have taken place in ethnic minority conflict areas have the potential to contribute to armed conflict. For example, ethnic villagers often lend greater support to respective EAO leaders in the hope of being afforded greater protections against the damages of state-backed resource deals. Alternatively, villagers affected by land and resource deals administered by an NCA EAO signatory may have increased misgivings about how they will benefit from postconflict development.

Human rights and human security have also been repeatedly breached in and around a resource concession. When the project is backed by the military or an NSAG, the area around the project is first secured, leading to increased militarization.\(^{62}\) A greater presence of Tatmadaw soldiers correlates to higher incidences of human rights violations, including forced labor and rape. Increased militarization by the Tatmadaw and other state security agents thereby provides the conditions for EAOs to capitalize on the fears of ethnic minorities to provide greater security or, on rarer occasions, to sabotage a state-linked project in or near their territory that they are not economically benefiting from.
In the mid-2000s, just as cross-border timber trade was partially (yet temporarily) shut down, Chinese large-scale agribusiness estates began to proliferate along roadsides in northern and northeast Burma. Kachin State and northern Shan State soon featured the highest agribusiness concession acreage rate increase in the country, despite the protracted armed conflicts there. Kachin State has the second-highest total acreage of agribusiness awarded in the country, 1.4 million acres, representing more than one-fourth of the country’s total agricultural concessions.\(^1\) In addition to agribusiness concessions offering new economic opportunities to state and nonstate armed authorities, they also inscribe territory, whether it be under an ethnic armed organization, paramilitary, or the state. Which party has territorial authority in an area is a highly significant affair when it comes to negotiating state and EAO territories in the peace process.

The main thrust behind the surge in industrial agricultural concessions in the China borderlands is China’s national opium substitution program. This program provides financial subsidies and tariff-free import quotas to mainland Chinese companies that invest in agricultural production in northern Burma (and Laos) as a market-based mechanism to provide local farmers with nonpoppy farm labor employment opportunities, so the rhetoric goes.\(^2\) However, Chinese companies need to work with local authorities—who in this case are paramilitary and EAO leaders—to make the deals.

One of the paramilitary outfits Chinese investors did agribusiness deals with in the late 2000s was the Kutkai militia, based around Kutkai Township in northern Shan State.\(^3\) One of its companies, Shwe Gonmyin (Golden Hill), received rubber concessions in its territory of influence. Since the Kachin Independence Organization’s ceasefire was annulled in 2011, the Kutkai militia has occasionally been summoned by the Tatmadaw to fight against the KIO in their territory. Because the Kutkai militia’s territorial extent overlaps with that of the KIO, as well as with Kachin populations that favor the KIO, the large-scale Kutkai rubber concessions are especially politically loaded. The concessions and surrounding area are further reinforced as Kutkai militia territory, legitimized by the township’s state land administration office, which provided land titles to the Kutkai militia leader, and marked as such on state land maps. Further, what is considered solidified territory under the Kutkai militia cannot, by definition, be that of the KIO.

EAOs were also involved in agribusiness deals. After China revamped its opium substitution program in 2006 to be led by the mainland Chinese business community, a prominent businesswoman known locally as Ali Jie switched from logging to making agribusiness deals with her new company, Northern Royal Jade (NRJ), in KIO-controlled territory. Backed by Chinese agro-investors, NRJ obtained a thirty-thousand-acre rubber and banana concession that sweeps out across the hills surrounding the border town of Laiza, KIO’s central headquarters. According to government maps, the concession was in a government-protected forest reserve. The KIO was the only political authority there, and its troops had found the forest cover not only suitable for guerrilla tactics during the previous war period but also for providing limited logging revenue after the group’s 1994 ceasefire. After the concession was awarded in 2006, a road was built stretching from the largest nearby government-run town to a village under KIO authority within the concession. The infrastructure was made possible by a well-known Kachin company, Yup Zau Hkawng’s Jadeland, that had good connections to KIO leaders and the NRJ.\(^4\) The bulldozed road passed through the state forest reserve along its route.
A new Tatmadaw battalion was established inside the agribusiness concession zone. Company managers brought in Bamar wage laborers from the country’s heartland, many of whom themselves had been dispossessed by farming-related debt, as well as Chinese citizens from across the national border just a few miles away. Once the crops were ready for harvest in 2010, Tatmadaw officials blocked the export route overland to China via KIO’s headquarters to prevent KIO officials from taxing the agricultural trade. The boxed bananas marked “Made in China” had to be trucked instead along government-controlled roads and through a much more distant cross-border checkpoint managed by the government (rather than the KIO), with tax revenue and unofficial bribes doled out to the military and government officials. This maneuver, of course, cost the KIO cross-border tax revenue. According to Kachin workers involved with NRJ, one of the trucks transporting boxes of bananas from this concession was allegedly seized by the Chinese border police for carrying concealed heroin. Since that time, workers involved in the concession believe that the Chinese NRJ business partner from Yunnan has been on the run as a wanted fugitive. The head of the KIO’s agricultural department and other KIO officials interviewed downplayed these setbacks, insisting that the Chinese agricultural development endeavors were good economic opportunities for both the KIO and local Kachin farmers.

After fighting between the KIO’s army and the Tatmadaw resumed in 2011, the road leading from the nearest large government-controlled town to the agribusiness concession ended up as the supply route for the Tatmadaw to reinforce their troops stationed inside the concession. Because the concession forms a half circle around the KIO headquarters, the area’s largest agribusiness estate was literally, at times, a battlefield. The concession area came under the nominal control of the Tatmadaw, but at other times the KIO was able to launch ground attacks against the Tatmadaw from within the concession. The concession is thus reportedly heavily land mined, by both sides, to curtail respective troop movements. Since the war started up again with the KIO and its armed wing, formal Chinese agribusiness investment has been limited in these areas.

Notes
3. The former reported Kutkai militia leader, T. Khun Myat, was twice elected to Parliament from Kutkai as a member of the Tatmadaw’s Union Solidarity and Development Party. He then became deputy speaker of the lower house of Parliament under the National League for Democracy in February 2016.
4. Yup Zau Hkawng has also been a key member in the Peace-Talk Creation Group, a volunteer organization in Kachin State that provides “goodwill services and serves as a platform to promote and encourage peace talks,” showcasing the role of local business leaders (with their private economic interests) as mediators in peacebuilding efforts.
As explained, the initial round of ceasefires with ethnic armed organizations in the early 1990s never resulted in political settlements, including on resource governance and revenue benefit sharing. Tatmadaw promises of future political dialogue, which may or may not have included land- and resource-related clauses, never materialized. Instead, ceasefire capitalism unfolded—unregulated resource extraction, land grabs, and state militarization. The return to war earlier this decade for some EAOs was in part attributable to the lack of any political settlements on how ethnic civilians and the resources within their territories of influence would be governed.

The new round of bilateral ceasefires and the Union government’s Nationwide Ceasefire Agreement in 2015 have mostly offered a more secure environment for villagers within EAO territories to live and potentially return to, as well as opportunities for postconflict development. At the same time, however, ceasefire conditions have been typified by land grabs and large-scale resource concessions, resembling those in northern Burma in the 1990s and 2000s. That said, this time around more checks and balances have been put into place, including elected regional state governments and a more active civil society, both of which have been applying pressure on their EAO representatives to follow good governance practices.

A unique challenge is the issue of land restitution and the return of refugees and internally displaced persons. For example, Karen IDPs and refugees who have lived in remote forests or in camps along the Thai border for decades intend for the most part to return to their native villages when their safety can be ensured, especially those who are older and those whose only option for earning a livelihood is farming. But many of their villages have been included in concessions, been resettled by migrants, or are still militarized by the Tatmadaw. Although only few IDPs and refugees have returned so far relative to the hundreds of thousands displaced, NGOs and government agencies have been preparing for large numbers. The unavailability of suitable land and livelihoods for those who return could make returnees, who are already skeptical about the state, far more likely to support EAO activities.

In both the north and the southeast, the ways in which natural resources are controlled and used is contributing to a resurgence in local grievances and potential renewed violent conflict. Ideally, resources should generate equitable social and economic benefits, which would in turn contribute to more inclusive statebuilding outcomes and greater prospects for peace.

The mistakes from the last two decades need not be repeated; instead, the peace process should offer the opportunity to transform the conflict resource economy into what can be called environmental peacebuilding. Although this concept is normally associated with fostering cooperation among victims of resource depletion, in the context of political insurgency in resource-endowed environments such as in Burma, it can also mean the transformation of resource governance in a way that resources no longer play a role in armed conflict. There is even the opportunity for resource wealth and its management to foster new pathways to peace if done properly and sequenced correctly.
LAND, NATURAL RESOURCES, AND THE PEACE PROCESS

Under the direction of President U Thein Sein’s military-backed administration and after it Aung San Suu Kyi’s National League for Democracy, the conditions of the conflict resource economy transformed yet again. Under quasi-democratic reforms and an opening in the economy, Burma entered a second wave of investment reforms. Several of the country’s new parliamentarians representing the northeastern region had previously run paramilitary organizations heavily involved in resource rent seeking, especially in illicit drugs. Further, the first national laws were a hurriedly passed pair meant to commodify the nation’s land—which to this day mostly operates under customary norms—to facilitate formal foreign investment. Other legislation related to land- and resource-based investments also passed through Parliament with little discussion or debate. The international community in part responded in kind with an uptick in foreign investment beyond Burma’s normal regional trade partners.

Meanwhile, under the government’s national peace process, a series of institutions, working groups, and committees were established. Many dialogues and conferences were convened after 2012 to help direct the military and EAOs toward a consensus on how to bring about a comprehensive peace settlement. The various official dialogues have focused mostly on security matters. The national peace process platform has yet to meaningfully address land and resource use, ownership, and management rights, as well as benefit-sharing issues, although some progress has been made. The Nationwide Ceasefire Agreement-Signatories, Ethnic Armed Organizations, as part of the Union Peace Dialogue Joint Committee (UPDJC), established the Land and Environment Working Committee to provide land and environmental-related policies and principles to the UPDJC. This working committee has drafted a land-focused policy that addresses some of the concerns EAOs and ethnic civil society have expressed related to customary land ownership rights and their governance, although not comprehensively and without undertaking wider consultation. Apart from land, natural resources have not yet been addressed directly.

Moreover, the NCA principles do not include any issues related to the conflict resource economy apart from a few bullet points mentioning investment and “environmental conservation” to be conducted during the interim period (chapter 6, principle 25). Chapter 3, section 9 relates to the protection of civilians, which includes land confiscations and loss of livelihood. These broad and weak statements can be interpreted in multiple ways, rendering them ineffective in drumming up political support for overhauling the conflict resource economy, even in principle.

In May 2017 at the Second Union Peace Conference—21st Century Panglong, ten agreements on principles of land (and less so, natural resources) were reached. In July 2018, an additional two agreements were reached at the third session. Although one principle recognizes local cultural heritage in land and another aims to reduce central control overall, no mention is made of decentralizing authority over the rights to control, use, manage, and benefit from land and natural resources. Several of the principles actually reinforce Union-level laws and control, thereby aggravating the very heart of the issue for ethnic minority populations and EAOs.

Most ceasefire agreements in the world have so far failed to recognize the necessity of reforming resource ownership, use and management rights, and its governance. For example, of the fifteen existing bilateral ceasefire agreements in Burma, only five address natural resources; in all five, warring parties are allowed to continue their exploitation and revenue generation. In only one case is any other aspect of natural resource management addressed. According to the Myanmar Peace Monitor, it is merely to send researchers to “assess the natural resources.”

National governments are usually hesitant to devolve governance of resource use and management rights
to local governments, let alone to ex-rebel political parties and politicians. Decentralization and devolution of resource governance forfeit the direct access of the national government (and its military) to resource rent seeking. Addressing reform of natural resource governance in peace agreements is also usually ignored or glossed over not only because it is seen as complicated and can become quite technical, but also because it gets at the political heart of many armed conflicts. In other instances, territorial disputes have arisen out of the peace process in part over contesting control over and access to natural resources and other lucrative economic activities, which have already occurred in Burma. Thus the conflict resource economy continues to drive instability during the national peace process. However, concrete steps can still be taken to support environmental peacebuilding and working toward durable peace.

**RESOURCE FEDERALISM**

A federal union model continues to gain support among the National League for Democracy-led civilian government, EAOs, and ethnic-based civil society organizations as the most promising way forward to resolving the country’s political stalemate. Indeed, political federalism is the core of the NCA and Panglong peace process. Although EAOs express disagreements related to their respective political visions and agendas, in mid-2017 more than sixty representatives of EAOs—both those that have signed the government’s NCA and those that have rejected it—agreed to what they called basic guidelines to establish a federal union in Burma. Political federalism, which has not yet been clearly defined by its advocates for the specific case of Burma, would offer a political governance arrangement that decentralizes power and decision making to the subnational level. Ethnic leaders argue that political federalism would enable ethnic minority populations to have a greater say in their state’s development, be more resonant with local cultural traditions and local communities’ development aspirations, and accrue more material benefits to the regional state and local populations.

To reduce the risk of a continuation of or a return to war, ethnic leaders are demanding a greater say in the management of land and natural resources and the sharing of revenue (and other benefits) generated from their exploitation. Many ethnic civil society and EAO leaders have made land and resource co-management and revenue sharing a critical demand in the ongoing peace negotiations. For example, in May 2016, a committee of Kachin political parties developed policies on natural resources that called for the Kachin State government to have independent management over natural resources. Similar gatherings and calls from ethnic-based political parties have taken place in other ethnic states, especially Rakhine State (oil and gas), Shan State (mining and dams), and Karen State (mining and dams). The United Nationalities Federal Council (UNFC), for example, reached a consensus in early 2015 on advancing a union federalism among its EAO members. It has officially adopted eleven policy positions, five of which relate to land and natural resources. All of UNFC’s policies advocate for and support the principles of sustainable development and the use of natural resources for local benefit that does no harm. Ethnic civil society and EAO leaders claim, however, that the Tatmadaw does not want to meet their demands on local ownership of natural resources (for presumably political and economic reasons).

During this interim period of the peace process, much needs to be done to address the conflict resource economy and its actors. Few actions have been taken, however. Some ethnic civil society leaders have called for a series of sequenced chains of actions in regard to land and natural resource management, such as a moratorium on any new large-scale land and natural resource investment projects, a review of existing ones, and respect for communities that practice customary land and resource tenure systems, among other positions. Care needs to be taken to ensure that EAO administration and
How natural resources are to be governed, not just what percentage of revenue should be shared, needs to be resolved through dialogue. Revenue sharing, no matter the percentage, will not achieve what its advocates hope for without political will and robust institutions.

governance is not inserted into government structures prematurely. Improper sequencing and rushing the implementation of the NCA before agreements are in place on how economic matters will be dealt with could be perceived as coercive statebuilding and even spark renewed armed conflict.

The rallying call for natural resources to be governed by subnational and local government officials who are elected by citizens from those jurisdictions offer some promise for loosening the linkage between resource wealth and armed conflict in Burma. Of course, bringing decision-making power to lower political administrative levels can also help decentralize corruption and provide new institutional pathways for centralization. The best hope to mitigate this possibility is to strengthen regional and local governance institutions as much as possible, preferably before devolution formally takes place.

It is important that postconflict countries have transparent fiscal data to help ensure more accountable resource management and less corruption. But revenue sharing is only one tool and does not tackle political problems often inherent to entrenched disagreements on who has the right to what. How natural resources are to be governed, not just what percentage of revenue should be shared, also needs to be resolved through dialogue. Revenue sharing, no matter the percentage, will not achieve what its advocates hope for without the political will and robust institutions (at both central and subnational levels) to ensure that generated revenue goes to the public good in a transparent and accountable manner. Otherwise, grassroots grievances will continue and sentiments of political and economic marginalization could be funneled into supporting EAO activity.

Several of the more well-established EAOs set up systems and departments to govern their territories of influence. These systems generally recognize and complement customary management practices, and provide culturally appropriate services such as in health care and education. Several EAOs also have forestry and agriculture departments to manage land and natural resources under their jurisdiction. In recent years, they have updated and revised their forest and land policies. These policies espouse, in the words of the Karen National Union’s land and forest policies, “land to the people.” In the KNU and Kachin forest policies, for example, “ancestral claims” are honored, thereby granting full management rights to communities. Customary land and resource management practices and regulations are honored (in theory), and local customary authority figures maintain their domain of power to rule village affairs. Some EAOs—such as the KNU, the Kachin Independence Organization, the Karen National Progressive Party, and the New Mon State Party—have issued customary land titles, recognizing shifting cultivation and other customary land-use practices (such as agroforestry) that are not afforded official recognition by the Union government. Many ethnic communities in areas where EAOs have authority are having to choose between the state and the EAO on which policies more favorably govern over them. In most instances, ethnic villagers tilt toward EAO policies, which recognize customary land and resource management practices. Rather than choosing one side or another, political federalism could enable a subnational governance framework that is more responsive to local communities’ cultural practices, needs, and development aspirations, and that works to integrate complementary sharing of competence and jurisdictions.
INTERNATIONAL RESOURCE GOOD GOVERNANCE MECHANISMS

Burma’s recent political and economic reforms have opened the country to a much more expansive set of international engagements, particularly global environmental good governance mechanisms. These platforms focus on transparency, accountability, international-standard social safeguards, promotion of legal trade, and an end to resources financing armed conflict. These are all ingredients in environmental peacebuilding in the context of a postconflict transition. Given continual civil society pressure and support, the hope is that these initiatives ensure that revenue is transparently reinvested back into pro-poor community development initiatives. Reinvesting in culturally appropriate ways helps better ensure that communities—rather than only the central state, military, or local armed actors—benefit sustainably and equitably from their resource-rich environments. These mechanisms also open a critical dialogue on who has the legal and legitimate right to conserve, extract, tax, and trade the country’s resource wealth. In the context of a postconflict transition, these broader benchmarks could also help achieve peacebuilding aims. However, so far the land and resource good governance mechanisms under way in Burma have not had much cross-pollination with addressing armed political conflict dynamics and the national peace process—a necessary component to success in both resource governance reform and peacebuilding.

One such initiative is the European Union’s Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. Until earlier this decade, the EU and the United States sanctioned trade in timber originating from Burma because the state’s timber board, the Myanmar Timber Enterprise, was controlled by the military and financing other armed conflict actors. But since timber trade has been allowed to resume to Western consumer countries, the EU has facilitated forest governance and timber trade reform to meet their due diligence benchmarks. More recently, FLEGT-related work has taken armed conflict geographies more into account. Multistakeholder dialogue on the country’s timber legality definition opens the conversation on what is considered socially and politically legitimate timber rent seeking and by whom. However, this aspect of state capture of resource rents is especially complicated in the Burma context. Conflict-sensitivity training and analysis has remained limited and pushback from some Bamar stakeholders has been strong. It is therefore critical that any legality definition for timber trade (or other natural resources) carefully consider the country’s ethnic political terrain and associated conflict financing. After the UK Department for International Development’s recent decision to pull its funding for FLEGT, however, the momentum of this initiative in pushing for forestry sector reform has been left hanging.

Burma has also been moving toward adopting a framework and strategy for its approach to reducing emissions from deforestation and forest degradation (REDD+). More recently, multiple donor-funded initiatives have streamlined REDD+ frameworks into the country’s natural resource and land reform processes. Concerns have been raised, however, that REDD+ and other forest and wildlife conservation initiatives will exacerbate land and resource tenure rights insecurity for those populations whose agrarian lives are most precarious. In most cases, EAOs also claim authority over forested territories targeted for renewed conservation efforts. Green grabbing, or types of land grabs to achieve environmental goals, has augmented armed conflict dynamics in these cases. REDD+ initiatives should instead support programs to support communities’ forest-based rights as a mechanism to afford them a greater stake in postconflict statebuilding. Moreover, EAOs should also decide whether conservation projects should be carried out in territories under their authority; if so, then they and local communities in those areas are the primary stakeholders.

A third significant good governance mechanism that Naypyidaw has signed onto is the Extractive Indus-
The Extractive Industries Transparency Initiative (EITI), which promotes revenue transparency through publication of the government’s oil, gas, mining, and forestry contracts, production, operating costs, and revenues generated. The assumption is that transparency facilitates greater scrutiny and thus accountability. Ultimately, greater transparency can catalyze a more informed debate among citizens regarding the rational use of their natural resources and how that wealth is distributed. When paired alongside environmental peacebuilding efforts, data transparency in the resource sectors can also help put pressure on armed conflict actors who tap resource revenue streams. The EITI is mentioned in the NCA agreed principles (chapter 6, principle 25) to help best plan projects in conflict areas to minimize impacts, although EITI has little to offer specifically in this regard. Instead, the EITI process and the data made transparent shed light on armed conflict financing from the resource economy.

These three global environmental mechanisms, among others, offer an opportunity and hope to achieve a higher standard in environmental management. But perhaps more important, these processes on governance, legality, trade, and conservation are promising platforms of environmental peacebuilding. Bringing together a diverse set of stakeholders from the state, civil society, and the private sector for continual dialogue on conflict resource matters, making secretive data on concessions and conflict financing public, decentralizing control over the resource economy, and helping build institutional capacity at all administrative levels (including EAOs) are some of these new opportunities that offer pathways to peace.

Figure 1. Major Ethnic Armed Organizations
To date, ten EAOs have signed on to the 2015 Nationwide Ceasefire Agreement and another three have negotiated bilateral ceasefires with the Union government. Members of the Northern Alliance are currently engaged in armed conflict with the Tatmadaw.

- All Burma Students’ Democratic Front
- Arakan Liberation Party
- Chin National Front
- Democratic Karen Benevolent Army Brigade 5
- Karen National Union
- Karen National Liberation Army–Peace Council
- Lahu Democratic Union
- New Mon State Party
- Pa-O National Liberation Organization
- Restoration Council of Shan State

Bilateral Ceasefire Agreements
- Shan State Army—North
- Shan State East National Democratic Alliance Association
- United Wa State Army

Northern Alliance
- Arakan Army
- Kachin Independence Army
- Myanmar National Democratic Alliance Army
- Ta’ang National Liberation Army

Groups active in Shan and Kachin states.
CASE STUDY: Failure to Deliver Equitable Peace Dividends

Another way Burma’s national peace process relates to the conflict resource economy is in the government’s Business for Peace (B4P) platform. In 2013, in line with the United Nations Global Compact (UNGC) framework, the government adopted the B4P to promote responsible sustainable businesses in high-risk, conflict-affected areas with the ethnic armed organizations that signed on to the Nationwide Ceasefire Agreement (NCA). Designed as a way for NCA signatories to earn a “peace dividend,” these ethnic armed organizations are meant to establish public companies through official channels (via the government’s investment institutions) to conduct business deals with the government and foreign investors. Overseen by the UNGC Network Myanmar and coordinated with the government’s Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), the new Myanmar Ethnic Entrepreneurs Association, established in March 2018, is made up of members from the NCA signatories tasked with boosting socioeconomic development in conflict-affected ethnic regions the EAOs administer.

The idea is that EAO leaders forming public companies in concert with UMFCCI would help “address the EAO’s financial hardships through official channels, as well as helping to halt logging in conflict zones.” Concerns and problems abound, however. For one, this appears to be dressing up the ceasefire capitalism that ran amok in the 1990s and 2000s during the initial phase of ceasefires with EAOs, leaving a devastating wake of environmental destruction and locally generated grievances. Moreover, no details have been agreed upon regarding shareholder structure and profit-sharing agreements between the state and EAO NCA signatories, nor EAO leaders’ administrative roles in their respective public companies. Concerns have been lodged on what would happen to these public companies if fighting resumes with EAO battalions, which has become a regular occurrence for several NCA signatories. Perhaps the most poignant criticism of B4P from the perspective of ethnic civil society is the sentiment that it translates an armed struggle based on a political ideology of ethnic self-determination into a financial proposition. Because business dealings are with EAO leaders and coordinated with the government’s business associations—which are largely overseen by well-known cronies—these economic pursuits would potentially increase the resource revenue capture by state and EAO leaders but still without accountability or wider benefit sharing with ethnic civilians in those areas.

For example, a special economic zone of sorts with related physical and energy infrastructure has been proposed in cooperation with Karen National Union leaders and their newly established public companies, local cronies, and military and government officials in Tanintharyi Region. Local civil society, however, has demanded that EAO leaders be held accountable for what appears to them as a land and resource grab without business transparency, proper social and environmental regulatory systems, or locally generated benefits. In another case, the government’s National Reconciliation and Peace Center struck an unprecedented timber deal with the Karenni National People’s Liberation Front, a paramilitary group, to jointly capture timber rents within their territory east of the Thanlwin (Salween) River. The agreement even broke Union laws.

Notes
Burma’s national peace process and land and resource governance reform are at a crossroads. The government’s peace process and those EAOs that have signed the NCA have created the conditions for the possibility of postconflict development opportunities in those territories. More recent setbacks in the peace process, however, have tempered these hopes. War continues in the north against EAOs in the Northern Alliance, and militia organizations (which number in the hundreds) have not yet been addressed in the security sector. The latest Panglong conference, held in July 2018 after months of delays, did not result in any promising concrete steps forward, not least for land and resource-related measures. Meanwhile, the land and resource sectors and their reform have received minimal attention in peace dialogues and related government-appointed institutions, despite a few initial steps forward in developing some land-related principles. Much more significant steps remain, especially given that these issues are a cornerstone for political demands among EAOs and shown to be a necessary component to peacebuilding in resource-rich postconflict transition countries.

International land and resource good governance mechanisms are under way in Burma, though so far without much cross-pollination with the peace process and related institutions. Land and natural resources—and the sound management of access and ownership rights—play a crucial role in building peace in two prominent ways.

First, the extraction, production, tax, and trade in natural resources and crops may finance armed actors and their organizations, further prolonging armed conflict and incentives to maintain the status quo. Cutting off resource revenues to armed conflict actors and their organizations would have an immediate effect on armed conflict dynamics, duration, and motivations for all stakeholders.

Second, the peace process must promote political dialogue that clarifies who has what rights for the use and management of Burma’s resources, devises workable benefit-sharing arrangements for the revenue generated from those resources, and how benefits will be distributed and for what purposes. These core political questions on which actors have which rights and over what are precisely what have defined the country’s civil war along ethnic lines.

These unresolved rights have resulted in nearly seven decades of war. But meaningful dialogue and agreements on land and resource rights and their management can help resolve political obstacles. With a concerted effort backed by strong political will, the conflict resource economy can be overhauled and replaced by a more robust, accountable, and equitable resource management system that can help lay down the pathways to peace.
Notes

1. This report uses the country name of Burma, in line with the US government’s nomenclature, unless in titles of organizations, in references, or in quotations where Myanmar is used instead. Separately, given that the majority of conflict resources in Burma are in ethnic territories, the report does not examine the Bamar (or Burman, the ethnic majority) populated lowlands in the Dry Zone or Delta regions.


3. Many other EAOs have also signed bilateral ceasefires since 2011, such as the China National Front, Karen National Progressive Party, New Mon State Party, and Restoration Council of Shan State / Shan State Army-South.


5. For example, the KIO, the Ta’ang National Liberation Army, the Kokang-based Myanmar National Democratic Alliance Army, and the Arakan Army collectively make up the Northern Alliance.


7. Armed conflict dynamics for the case of Burma and in this report refer to multiple variables that include the competition over profits for personal enrichment or organizational sustenance, a counterinsurgency strategy to cut off sources of EAO financing, and the aggravation of ethnic grievances.

8. Ceasefire capitalism conceptualizes how land and resource deals with cronies and (former) NSAG leaders in resource-rich areas operating under ceasefire terms have helped achieve greater state militarization and top-down control than what outright war was able to initially accomplish. Kevin Woods, “Ceasefire Capitalism,” *Journal of Peasant Studies* 38, no. 4 (2011): 747–70.


10. The two types of paramilitaries are known in Burmese as Pyi Thu Sit and Ka Kwe Ye, which have slightly different histories and outcomes. On a typology of NSAGs in Burma, see Buchanan, *Militias*, 2016.


22. For example, the case of the Yadana and Yetagun gas pipelines installed off the coast of northern Tanintharyi Region in the early 1990s, and more recently the China-Burma pipeline from off the coast of Arakan (Rakhine) State overland to China, continues to generate billions of dollars for the military government without much transparency or accountability.
23. The reports that highlight these data discrepancies are part of the Extractive Industries Transparency Initiative (see https://eiti.org/document/myanmar-20152016-eiti-report).
24. The dam involved the highest levels of government from both Burma and China, as well as a high-profile national crony company from northern Burma associated with fueling the illicit drugs economy (Asia World). This highly controversial dam that eventually got temporarily postponed was strongly resisted by Kachin civil society as being a threat to their territorial sovereignty and customary lands, the initial construction of which further fueled anti-government, anti-Chinese, and pro-KIO sentiment among Kachin.
26. For example, the recent EITI reports demonstrate the government’s high levels and degree of corruption and illegal practices in the resource sectors.
27. See, for example, Andrew Bauer, Arkar Hein, Khim Saw-Htay, Matthew Hamilton, and Paul Shortell, State-Owned Economic Enterprise Reform in Myanmar (Yangon: Natural Resource Governance Index and Renaissance Institute, 2018).
28. Research indicates that many of the more infamous crony companies, for example, have Singapore bank accounts. Specific to Burma’s timber trade in the 2000s, foreign companies deposited payments for their timber quota into the military-controlled MTE bank account in Singapore.
29. For more on the making of cronies and crony capitalism in Burma during the 1990s and 2000s, see Sean Turnell, Fiery Dragons (Copenhagen: Nordic Institute of Asian Studies Monographs, 2009).
30. The fourth bank is suspected by many to have had informal links to illicit activities at an early stage, but no such concrete proof has yet materialized. Bertil Lintner and Michael Black, Merchants of Madness: The Methamphetamine Explosion in the Golden Triangle (Chiang Mai, Thailand: Silkworm Books, 2009); Turnell, Fiery Dragons.
31. Lintner and Black, Merchants of Madness.
32. This case study is presented in Woods, “Ceasefire Capitalism.”
34. See note 5.
35. On people’s militias, see Buchanan, Militias.
36. Meehan, “Drugs.”
37. Smith, Burma, 441.
38. It is not known to the author whether the Tatmadaw receives an outright percentage of all tax revenue generated by paramilitaries.
39. Lintner, Burma in Revolt, 412.
40. Lintner and Black, Merchants of Madness, 123; interview with KIO’s TAT staff, Myitkyina, Kachin State, March 2015.
42. Woods, “Conflict Timber.”
46. See Sadan, War and Peace.
48. Border Guard Forces (BGFs) are battalion-sized paramilitaries created by the Tatmadaw in 2009 and 2010, which saw the integration of Tatmadaw soldiers with units that originally were either EAOs or paramilitary groups (see Buchanan, Militias).
49. For a case study on NDA-K’s resource business dealings since becoming a BGF, see Woods, “Rubber out of the Ashes.”
51. KIO staff, interview, Myitkyina, Kachin State, March 23, 2015.
52. Saw Yan Naing, “‘Peace permit’ bonanza puts ethnic groups on defensive,” The Irrawaddy, December 20, 2013.
55. For the case of Kachin State, see Kevin Woods, Kachin IDP Land Rights (Yangon: Trocaire, 2016).
56. For example, reports suggest that the Arakan Army actively recruits Rakhine laborers working the mines in Kachin State.
58. For an excellent overview, see Burma Environmental Working Group, Burma’s Environment (Chiangmai, Thailand, 2011).
60. One exception may be the oil and gas sector, which tends to follow international standards more closely.

61. Interviews with local CBO members and researchers in northern Burma claim that dispossessed farmers have few other work options other than for men to go into the artisanal mining or illicit drug economy.

62. The militarization effect from large-scale resource concessions has been most prominently demonstrated in Burma from hydropower dam projects (see Burma Rivers Network, http://burmariversnetwork.org; International Rivers, “Burma/Myanmar,” www.internationalrivers.org/campaigns/burma-0).

63. On this argument, see Brenner, Ashes; Sadan, War and Peace.


66. On the concept of environmental peacebuilding, see https://environmentalpeacebuilding.org/about.


71. The idea of political federalism in Burma dates back to the time of Aung San in negotiating postcolonial regimes of rule with the country’s leading ethnic minority leaders.


75. Nyein Nyein, “Ethnic Bloc Calls for Agreement on Federalism to Mark Union Day,” The Irrawaddy, February 3, 2015. The UNFC represents non-NCA EAO signatories, but their existence remains fragile after several prominent EAOs have pulled out.

76. On UNFC’s adopted policies, see ENAC, Natural Resources; Forest Trends, Peace in Myanmar Demands a Focus on Natural Resources and a Reform of their Management (Washington, DC, 2018).

77. See, for example, BEWG, Resource Federalism, 8.

78. Ibid.

79. Although customary authority, regulations, and practices certainly could play a key role in devolving power and management over populations, land, and resources, decades of civil war have in many cases eroded or distorted these social forces and traditional village structures. In these cases, relying fully on what is considered customary may be problematic at times. For these reasons, Karen CBO leaders, for example, are working with community leaders to help reinforce these customary structures as a bulwark against centralized power and management.


81. On the tiger reserve in Kachin State, see KDNG, Tyrants, Tycoons and Tigers (Chiang Mai, Thailand, 2010); for cases in Tanintharyi Region, see Conservation Alliance of Tanawthari, Our Forest, Our Life (Dawei, Burma, 2018).

ABOUT THE INSTITUTE

The United States Institute of Peace is an independent national institute, founded by Congress and dedicated to the proposition that a world without violent conflict is possible, practical, and essential for US and global security. USIP pursues this vision on the ground in conflict zones, working with local partners to prevent conflicts from turning to bloodshed and to end it when they do. The Institute provides training, analysis, and other resources to people, organizations, and governments working to build peace.

BOARD OF DIRECTORS

Stephen J. Hadley (Chair), Principal, RiceHadleyGates, LLC, Washington, DC • George E. Moose (Vice Chair), Adjunct Professor of Practice, The George Washington University, Washington, DC • Judy Ansley, Former Assistant to the President and Deputy National Security Advisor under George W. Bush, Washington, DC • Eric Edelman, Hertog Distinguished Practitioner in Residence, Johns Hopkins University School of Advanced International Studies, Washington, DC • Joseph Eldridge, University Chaplain and Senior Adjunct Professorial Lecturer, School of International Service, American University, Washington, DC • Kerry Kennedy, President, Robert F. Kennedy Center for Justice and Human Rights, Washington, DC • Ikram U. Khan, President, Quality Care Consultants, LLC, Las Vegas, NV • Stephen D. Krasner, Graham H. Stuart Professor of International Relations, Stanford University, Palo Alto, CA • John A. Lancaster, Former Executive Director, International Council on Independent Living, Potsdam, NY • Jeremy A. Rabkin, Professor of Law, George Mason University, Fairfax, VA • J. Robinson West, Chairman, PFC Energy, Washington, DC • Nancy Zirkin, Executive Vice President, Leadership Conference on Civil and Human Rights, Washington, DC

MEMBERS EX OFFICIO

Mike Pompeo, Secretary of State • James Mattis, Secretary of Defense • Frederick J. Roegge, Vice Admiral, US Navy; President, National Defense University • Nancy Lindborg, President, United States Institute of Peace (nonvoting)

THE UNITED STATES INSTITUTE OF PEACE PRESS

Since its inception in 1991, the United States Institute of Peace Press has published hundreds of influential books, reports, and briefs on the prevention, management, and peaceful resolution of international conflicts. All our books and reports arise from research and fieldwork sponsored by the Institute’s many programs, and the Press is committed to expanding the reach of the Institute’s work by continuing to publish significant and sustainable publications for practitioners, scholars, diplomats, and students. Each work undergoes thorough peer review by external subject experts to ensure that the research and conclusions are balanced, relevant, and sound.
Focusing on timber, jade and agribusiness, with additional references to water, land, and the drug economy, this report examines Burma’s conflict resource economy in the resource-rich areas along the borders with China and Thailand. What is the relationship between extractive and productive resources and armed conflict? What light does this relationship shed on pathways from seven decades of internal conflict to lasting peace in the country? Who has what ownership rights over what resources? How can these resources be more equitably shared with the wider public? To answer these questions, this report explores the roles of the national military, government, national companies, and nonstate armed groups in the conflict resource economy; the artisanal resource economy; environmental, social, human rights, and security impacts; and resource good governance reform and decentralization. Case studies add critical field context.

OTHER USIP PUBLICATIONS

- Satellite Imagery, Remote Sensing, and Diminishing the Risk of Nuclear War in South Asia by Jay Wise (Special Report, November 2018)
- What Works in Preventing Election Violence by Jonas Claes and Inken von Borzyskowski (Peaceworks, October 2018)
- Participatory Action Research for Advancing Youth-Led Peacebuilding in Kenya by Sahlim Charles Amambia, Felix Bivens, Munira Hamisi, Illana Lancaster, Olivia Ogada, Gregory Ochieng Okumu, Nicolas Songora, amd Rehema Zaid (Peaceworks, October 2018)
- China’s Evolving Role as a UN Peacekeeper in Mali by Jean-Pierre Cabestan (Special Report, September 2018)
- South Sudan’s Civil War and Conflict Dynamics in the Red Sea by Payton Knopf (Special Report, September 2018)