Spoiling under the Influence:

The Narcotics Trade as a serious Threat
to Myanmar's Nationwide Ceasefire Process?

by

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<u>Abstract</u>

This thesis deals with the role of opium as a conflict resource in the Myanmar civil war. It poses the question whether some actors have developed an interest in deliberately prolonging the conflict because they perceive war as more profitable than peace. The topic has been chosen because there is little to be found in the literature which influence opium has had on the longevity and intensity of the conflicts in Myanmar. The thesis therefore aims to shed light on some of the actors and structures which are connected to the narcotics trade and investigates whether some actors sabotage or have incentives to sabotage the Nationwide Ceasefire Process (NCA) that is still ongoing. The thesis uses the concept of spoilers in peace processes to analyze the conflict. The method is framed by using theories on the role of natural resources on civil wars and on shadow and war economies and black markets. The thesis also makes references to peace and conflict research concepts such as structural violence. The data used comes from five expert interviews, reports by for example the UNODC and the Transnational Institute (TNI), academic literature and news resources. The study found that currently nobody engaged in the narcotics trade has an interest ins sabotaging the NCA for several reasons, one is that a potential ceasefire is unlikely to affect the opium business at all. On the contrary, many former insurgent groups' drug trade activities have started to thrive since they agreed to a ceasefire with the government. This means that a ceasefire, understood as a form of negative peace in this thesis, is perceived more profitable than continued warfare. The NCA might be still threatened by actors because of other reasons, especially political ones. Spoilers might still emerge in the future. The study results point towards other areas, especially the conflict potential of other natural resources such as gemstones and timber as well as to the political reasons for spoiling.

Keywords:

Myanmar, civil war, spoiler concept, opium, natural resources, conflict resources

<u>Acknowledgments</u>

Clarification of the Use of Names in this Thesis

Burma, Birma, Myanmar: Since a non-elected military government renamed the Southeast Asian nation Burma 'Myanmar', the usage of the name has been a contested issue. Both inside and abroad, significant parts of opposition forces, activists and scholars refuse to accept the change of the country's name and to this day, almost 25 years later, the country is still referred to as Burma in many publications.

This Master's Thesis 'Spoiling under the Influence: The Drug Business as a serious Threat to Myanmar's Nationwide Ceasefire Process?' is an official paper submitted in partial fulfillment of the requirements for the degree of Master of Social Science in Peace, Mediation, and Conflict Research at the University of Tampere and it therefore uses the official names 'Myanmar' for the country and 'Yangon' for the former capital. I find it inappropriate to connect an official paper to such a highly debated political issue and it is necessary to stress that the usage of these names does not reflect my political stance on the issue and it does not convey any political message. Neither does it mean that the change of the name is recognized, nor the opposite.

List of Abbreviations

AA – Arakan Army
ALP – Arakan Liberation Party
ASEAN – Association of Southeast Asian Nations
ATS – Amphetamine-type Stimulants
BGF – Border Guard Forces
CPB – Communist Party of Burma
CPP – Cambodia People's Party
DKBA – Democratic Karen Buddhist Army
EAG – Ethnic Armed Group
GDP – Gross Domestic Product
KKY – Ka Kwe Ye
KIA – Kachin Independence Army
KIO – Kachin Independence Organization
KMT – Kuomintang
KNLA – Karen National Liberation Army
KNU – Karen National Union
LDC – Least Developed Country
MANPADS – Man-Portable Air Defense Systems
MNDAA – Myanmar National Democratic Alliance Army
MTA – Mong Tai Army
NCA- Nationwide Ceasefire Agreement
NCCT – Nationwide Ceasefire Coordination Team
NDAA – National Democratic Alliance Army
NDA-K – New Democratic Army-Kachin
NLD – National League for Democracy
NMSP – New Mon State Party
PSLF – Palaung State Liberation Front
RFA – Radio Free Asia
SOC – State of Cambodia
TNI – Transnational Institute
TNLA – Ta'ang National Liberation Army
UNEP – United Nations Environment Programme
UNFC – United Nationalities Federal Council
UNITA – União Nacional para a Independência Total de Angola
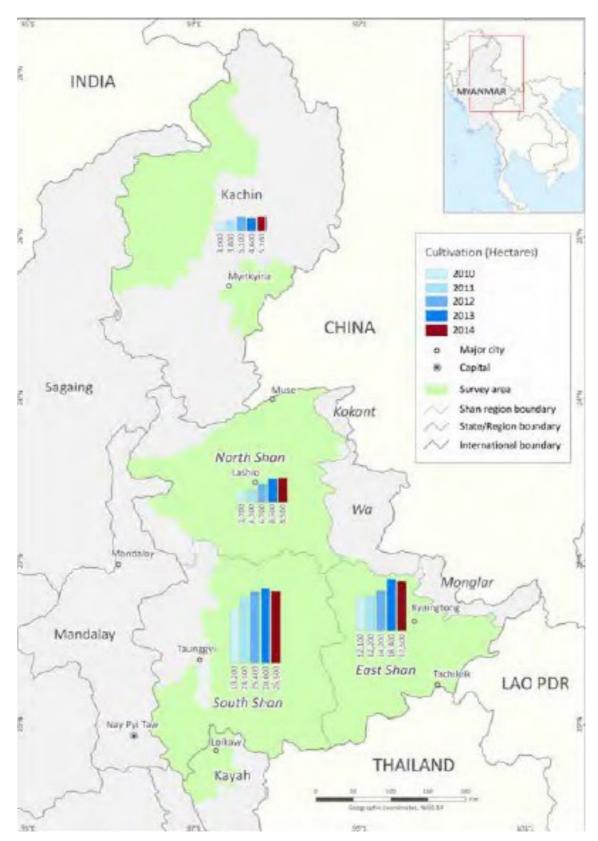UNODC – United Nations Office on Drugs and Crime
UPWC – Union Peace Working Committee
UWSA – United Wa State Army

Map 1: Political Map of Myanmar

Source: United Nations

Map 2: Opium poppy cultivation in Myanmar 2014

Source: UNODC (Southeast Asian Opium Survey 2014)

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1. Introduction

The thesis at hand is a piece of academic writing embedded in the discipline of peace and conflict research. Since work on it began in the form of a research proposal in spring 2014, the original loosely defined topic has changed a lot until it arrived at the current state. While the original idea of doing research on the role of natural resources in the conflicts that take place in Myanmar has remained the same, the topic itself has gotten more and more elaborate and precise over the course of the last year.

The result is a thesis which investigates the role that opium plays as a conflict resource in Myanmar and whether those who draw profit from the narcotics trade developed incentives to sabotage any alleviation of conflict because they perceive war as more profitable than peace. This question is approached by using the concept of spoilers in peace processes which has been first formulated as a comprehensive model for conflict analysis by Stephen Stedman in 1997. The spoiler concept is embedded in a framework of theories about the role of natural resources in conflict and shadow and war economies and black markets. The thesis draws furthermore on more general theories of academic peace and conflict research, especially Johan Galtung's classic theories of negative and positive peace and direct and indirect (structural) violence.

History plays an important role in this piece of research. Its purpose is to contextualize the myriad small and large-scale conflicts taking place in Myanmar today, often shortened to the singular "Myanmar civil war." The historical chapter introduces to reader not only to the recent history of Myanmar that has led to the situation the country faces today but also to the history of opium in Asia, the impact and legacy of colonial empires as well as early and contemporary forms of East and Southeast Asian capitalism.

The reasons for the choice of this specific topic lie in the perception that the question of whether economic motives play a role in the longevity of the Myanmar conflicts remains underexplored. While studies acknowledge and address the role of opium as a financial resource to purchase arms and pay soldiers, the fewest pieces of writing go beyond this point and ask if the thriving narcotics trade poses a significant threat to any conflict resolution efforts because peace might be perceived as being detrimental to the own interest, business or worldview.

Myanmar as a case study has been chosen because of a personal interest in the country and because most studies that focus on the role of natural resources in conflicts deal with either different resources (diamonds, hydrocarbons) or different cases (for example Sierra Leone and Liberia). Both opium and Myanmar play only minor roles in most studies on natural resources and conflict.

Opium is not the only conflict resource in Myanmar. The choice to focus on opium is based on the perception that it is more than just a conflict resource used to maintain or improve military capabilities. Opium has a multifaceted history in Myanmar and other countries in Southeast Asia and is intrinsically connected to culture (cultural and medical uses and leisure pursuit are prevalent), subsistence farming, support of livelihoods, poverty and structural violence. In addition comes opium's direct connection to the international drug trade, a globalized multi-billion dollar business which dwarfs the illegal trade with timber or gemstones, two other natural resources available in Myanmar.

The aspects of poverty and structural violence are especially important because of the peace and conflict research context in which this thesis in written. Gemstone mining and timber logging undoubtedly constitute a threat to the livelihoods of the people living in Myanmar's peripheries especially through environmental degradation. However, the scope that opium cultivation and drug refining have taken over the decades and the predatory taxation of villagers as well as the addiction problems and the HIV epidemic that go along with it pose a more direct threat to the well-being of the most vulnerable segments of the populace. Opium, therefore, affects the living conditions of the people in Myanmar's peripheries in multiple ways and has a much greater impact than other natural conflict resources.

The choice of opium as prime object of research interest does not, however, mean that opium is deemed more interesting or more important than for example gemstones or timber. A choice had to be made due to the limited space of the thesis and including all possible resources would have exceeded the limit. Other natural resources are undoubtedly just as interesting and should be considered in future studies, too, especially because of the severe environmental consequences of the mining and logging industries which affect humans, flora and fauna alike. It is likely that large-scale logging will become more important as a study object in the future since waning military conflict in some regions of Myanmar has brought the timber trade under the control of the government (or the military) and future external investments, especially from

neighboring countries, might exacerbate environmental degradation and thus spark new conflicts.

The thesis is divided in seven chapters of which most have several subchapters. After these introductory remarks, the thesis continues with an introduction to the research objective, the methodology, the research questions and hypotheses and a presentation of the data used. The following chapters introduce the reader to the theories used in this thesis (chapter three), followed by the aforementioned chapter about the historical context (chapter four). The fifth chapter is the analysis part which discusses both actors and structural components relevant in the spoiler concept, two items the reader will learn more about in chapter three. After finishing the analysis and the discussion of the results, chapter six turns to a reflection on the spoiler concept as a tool for conflict analysis. It furthermore discusses one of the major points of criticism leveled at the concept, namely that it has a powerful normative foundation and only works in context with the liberal peace building paradigm. Finally, small changes are proposed to address this criticism before finishing the thesis with a conclusion in chapter seven.

2. Research Objective and Research Methodology

This thesis is a case study of the civil war in Myanmar and uses a qualitative research approach. A qualitative approach is taken due to the design of the study and the research question which will be both introduced down below.

Before proceeding to the literature review and the theory used in this thesis, it is imperative to explain why and how the study was conducted. The following section will introduce the thesis' research objective and methodology. It includes two assumptions which are underlying the thesis topic and functioned as a source of inspiration, the research question as well as the research hypotheses. A subsection presents detailed information on the sources used as well as on the five expert interviews that were conducted for the purpose of this study.

2.1. Research Objective and Case Selection

The aim of this study is to find out whether the peace process in Myanmar, currently in the form of several rounds of talks about a nationwide ceasefire, is threatened by actors

who deliberately attempt to prolong the civil war for economic reasons. The actors that will be looked at have a background in the drug business that revolves around the cultivation of opium and the trade of its derivatives heroin and amphetamine-type stimulants (ATS). More about the drugs and the background later.

The case of the Myanmar civil war, and especially the aspect of the drug business, has been chosen because of gaps in the literature. The choice of topic is therefore in line with George and Bennett (2005: 74), who state with regard to the identification of gaps in the literature that the research objective

> *"should be embedded in a well informed assessment that identifies gaps in the current state of knowledge, acknowledges contradictory theories, and notes inadequacies in the evidence for existing theories. In brief, the investigator needs to make the case that the proposed research will make a significant contribution to the field."*

Not much can be found in the literature on the consequences that the economic and political interests behind the drug trade have for peace-making. While it is common notion that drug money is used to pay soldiers and purchase military equipment and while plenty of research is done on the scope, conditions and reasons behind opium cultivation, no piece of literature that could be found moves beyond this point and ask whether the immense profits that are generated in the drug business give incentives to prevent the resolution of the conflict situation. This reasoning is based on the assumption that the civil war created and still creates the conditions for unregulated shadow economic activity which includes the trade with opium and its derivatives. It is unlikely that drug trade of similar scope would have developed under peaceful or at least less chaotic and violent circumstances. Myriad amounts of actors control small and large swathes of land and the central government does not exert control over the entire territory, meaning that Myanmar is a political and military carpet rug. The political situation is explained in detail later. At this point it is important to mention that the choice to focus on the drug issue means that other aspects are disregarded and are not included in the thesis due to the necessity to focus on a specific aspect of the conflict. As much as a full account of all natural resources, their role in the Myanmar civil war and the potential to induce actors to spoil would be desirable, it would extend the maximum length of this thesis by far. Jade, timber, gemstones and the abundance of other natural resources that can be found in Myanmar would, undoubtedly, make an interesting topic for another Master's thesis or for future research projects.

The attempt to fill in a gap in the literature has thus pointed towards other gaps

and opened up new questions that are worth pursuing. A more comprehensive image of the obstacles to peace in Myanmar is certainly necessary since much of has remained underexplored or has not been explored at all. These gaps and new questions are addressed in more detail towards the end of the thesis and might inspire future research projects.

In order to find out whether there are such actors who attempt to undermine the ceasefire negotiations or its results, the concept of spoilers in peace processes has been chosen as theoretical framework. As a comprehensive concept it was first introduced by Stephen Stedman in 1997. The thesis, however, is not limited to the application of the spoiler concept to the Myanmar civil war. It furthermore discusses the advantages and disadvantages the of the concept while reflecting on the limits of the thesis' research. As the concept is targeted with plenty of criticism, it is a vital part of the thesis to make remarks about the criticism and acknowledge its limits. The final chapter is an attempt to contribute something to the concept itself which, in its current form, has a powerful and potentially limiting normative foundation. The term 'spoiler' implies already a strong normative judgment of certain behavior. This thesis, however, will henceforth stick to the word 'spoiler' and addresses this controversial issue later.

In this thesis, the spoiler concept is framed by using theory on the role of natural resources in civil wars and theory on shadow and war economies, or black markets respectively. The thesis is inspired by two assumptions about humans and human interaction derived from personal observation of the Myanmar case and other conflicts.

The first assumption is derived from the observation that human beings are remarkably adaptive and are able to adapt even to civil war situations. People learn to cope with an environment in which war is either happening or is occurring frequently and they evidently manage to maintain a life amidst the most hostile environments. The second assumption is that no matter how dire a situation is, somebody will find ways to draw material or immaterial profit from it. This can be or example money by engaging in (or even creating) a thriving shadow or war economy or political power that can be assumed amidst political instability in (civil) war zones. This phenomenon is not limited to Myanmar but can be observed across the globe in different settings where warlords or gangs control large swathes of land and parts of the economy, for example in Afghanistan. This phenomenon is also acknowledged by UNEP (2009: 11) in its report on the role of natural resources and the environment in conflicts.

The two phenomenons are partly overlapping in the sense that drawing profit

from a dire situation represents a form of adaptation.

The two assumptions underlying the research project at hand should not be understood as a theoretical foundation of the thesis but rather as a source of inspiration that has influenced the choice of topic, the research question and the method. They are thus not part of the thesis as such. The thesis itself is based on empirical data drawn from a variety of sources which will be introduced later on.

2.2. Research Question and Research Hypotheses

The research objective is formulated as an empirical research question whose answer is sought by testing four research hypotheses. In addition to the empirical research question, the thesis pursues also a theoretical research question that deals with the spoiler concept and its limitations. The empirical research question reads as follows:

> *Is the nationwide ceasefire agreement process in Myanmar threatened by actors with a background in the the drug business of the Golden Triangle who intend to prolong the conflict for economic or power political purposes by using spoiling behavior?*

To answer this question, four research hypotheses have been devised in the style of questions. Although research hypotheses are usually not formulated as questions, the question style is believed to be beneficial because hypotheses are used as guiding questions for the thesis whose single answers, when combined, will provide an answer to the research question. Their character allows "yes" or "no" answers and thus, they can be falsified or verified.

Hypothesis I deals with the environment and structures that enable actors to make profit in the first place:

> *Did the civil war in Myanmar lead to the establishment of a thriving shadow and black market economy and did it make especially the impoverished peripheries in North and Northwestern Burma dependent on illicit narcotics production?*

Hypothesis II, then, is about the role of actors, the scope of their influence and their economic and political enterprises:

> *Did some individuals and organizations in Myanmar become particularly powerful stakeholders within the country and beyond? And did they create businesses relying on war and conflict such as illicit narcotic production and drug trafficking?*

Whether the lifestyles and businesses of the stakeholders give incentives to prevent peace is asked in Hypothesis III:

Did these stakeholders develop an interest in prolonging the conflict to maintain their businesses and their lifestyles?

Lastly, Hypothesis IV asks the deciding question :

Do these stakeholders try to sabotage the peace efforts?

The answers to these questions are derived from a variety of sources including academic literature, reports by UN institutions and others, news resources and online articles by regional and international media and expert interviews.

The spoiler concept is primarily condensed from academic articles that present a variety of possible perspectives on the phenomenon of spoilers in peace processes. The different models of the spoiler concept are discussed and then assembled into a fitting model for the analysis of the Myanmar civil war. In this model, the characteristic of actors (the decision-making of individuals and organizations) and opportunity structures are considered independent variables that influence the possible outcomes in a peace process. This means that the dependent variable is whether or not actors resort to spoiling behavior.

The spoiler concept is embedded in a theoretical context that draws on the literature dealing with the role of natural resources in civil wars and with shadow and war economies and black markets. Later sections introduce a variety of different relevant issues such as the importance of poverty for the opium cultivation, neglected borderlands as incubators of civil strife and shadow economic activity as well as different theories on the role of natural resources with regard to their impact on duration, intensity and onset of civil wars.

Plenty of literature is available on Myanmar, its history, the civil war and the political and economic situation. Researchers write not only books and in academic journals but also in newspapers and as consultants. They provide the information needed to conduct this study. In addition come reports on the drug business in Myanmar. The Transnational Institute (TNI) and the United Nations Office on Drugs and Crime (UNODC) conduct regular studies on the scope of the opium cultivation, the reasons behind it and the drug business, providing empirical data and numbers of the opium business.

English online news from Myanmar and Southeast Asia are used to buttress arguments and to include up-to-date information on the situation in Myanmar and the Nationwide Ceasefire Agreement (NCA) talks between the government and over a dozen of ethnic armed groups (EAGs). The current situation is changing day by day

with frequent violent encounters taking place between the Tatmadaw and rebel groups while the NCA negotiations are continuing. While some actions could be considered as spoiling behavior, only those who have a clear economic motivation are dealt with in this thesis.

The data is supplemented with information gathered from interviews with five renowned experts in the field. The conditions of the interviews were agreed beforehand. None of the interviewees objected to being quoted and cited by name or to the conversation being recorded. One interviewee stressed that the information gathered from the interview may only be used for the Master's thesis at hand. All but one interview were conducted via video chat and internet telephone service Skype, the other was conducted face-to-face at the Tampere Peace Research Institute (TAPRI) in Finland. Other interview requests have not been answered, one person denied the interview request but provided additional sources and input via e-mail. The interviewees are (in chronological order):

1. Tom Kramer, researcher at TNI, 2015-01-15
2. Matti Ojanperä, researcher and consultant, 2015-01-17 (face-to-face interview)
3. Ashley South, independent writer and consultant, 2015-01-23
4. Mikael Gravers, researcher at Copenhagen University, 2015-04-16
5. Martin Smith, researcher and journalist, 2015-04-20

All interviewees have years of experience of working in and on Myanmar and have connections also in the ethnic peripheries. The information gathered in the interviews are used as supplementary information to buttress the arguments made in later parts of the thesis, and are not analyzed with specific tools such as content analysis. They are used as additional information much like a newspaper source. Three of the interviewees written work is also used as sources throughout the thesis.

The theoretical research question poses a question to the spoiler concept itself. The aforementioned powerful normative underpinnings of the spoiler concept, reflected already in the term 'spoiler', are scrutinized. The goal is to question whether the concept is actually a viable theoretical approach to analyze obstacles in peace processes. The notion of spoilers in itself constitutes a judgment of an actors behavior that is questionable since behavior or the perception of behavior respectively is always inherently subjective or at least difficult, if not impossible, to objectify. What one person deems irrational and an act of spoiling might be perceived by others as perfectly rational and justified. This problematic aspect is by far not confined to this specific

instance of research but permeates research in social sciences. Since human beings are not robots that always act and react in exactly the same way according to preprogrammed sets of behavior, research in social science is always subjected to certain limits. Human behavior does not follow natural laws that can be predicted and calculated and tested through experiments.[1] Acknowledging the subjective character of human behavior and the fact that different human beings perceive behavior in different ways is a precondition for research or even practical methods to end conflicts, such as mediation.[2] So the theoretical research question scrutinizes whether or not the spoiler concept is a suitable method to analyze conflict and whether the normative underpinnings limit the concept.

The research is carried out in the a similar vein other authors have used the spoiler concept to analyze conflicts (such as Stedman 1997 and Greenhill and Major 2006/2007). The concept demands a different approach than other concepts in which typically a historical context is presented, followed by an analysis in an own chapter. This thesis also features a contextual chapter about Myanmar, its history and the history of opium in Asia and Myanmar. This is done mainly to give the reader an introduction to the conflict and the context. However, the content in the contextual chapter had to be chosen carefully because the analysis chapter keeps introducing new contextual information that is analyzed by using the spoiler concept and which was not mentioned in the preceding chapters. The contextual chapter thus avoids information that is relevant for the analysis in order to prevent repetition. In the analysis chapter, structures and actors are analyzed against the backdrop of a specifically designed set of properties of the concept which are introduced in the subsequent chapter.

3. Theoretical Framework

This chapter and its subchapters introduce the theoretical background of this thesis. It starts off with a theoretical consideration of the role that natural resources play in civil wars. This is necessary because the following subchapters, which deal with shadow and war economies and black markets as well as the spoiler concept used to analyze the Myanmar civil war, demand an understanding of the importance of natural resources for

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1   Experiments are possible but are subjected to ethical limits. Experiments such as the famous Stanford prison experiment in 1971 are nowadays impossible, for good reasons.
2   Porteus, Ann: Conflict Mediation Guidelines; Source:
    http://web.stanford.edu/group/resed/resed/staffresources/RM/training/conflict.html, last accessed: 2015-04-28.

both functioning shadow economic structures and spoilers who may draw on natural resources and neglected and impoverished borderlands. It should become clear that all three, natural resources, shadow economies and spoilers, are related and interlocked topics that are difficult to separate since they are mutually dependent.

3.1. The Role of Natural Resources in Civil Wars

The role of natural resources and the environment in violent conflicts, notably civil wars, has moved to the center of attention in academic research (see for example SIPRI Yearbook 2011) and policy making (UNEP Report 2009) in the last 25 years. This coincided with the end of the East-West Conflict and the consequent significant scrapping of support by the United States and Soviet Union/Russia for their former protégés around the world (Le Billon 2004: 1). As a result of this, insurgent groups, warlords and other actors that had formerly been engaged in proxy wars had to secure new ways of funding their activities and many civil wars became increasingly self-financing in nature. New actors emerging after 1990 were in dire need of financial and military resources, too (Ballentine & Nitzschke 2005: 2). As a result any of them turned to the exploitation of lucrative natural resources, especially diamonds and gems, narcotics, timber and oil (Ross 2004: 40). Those who managed to procure financial revenues independent of external assistance, mainly by extortion or by exploiting lucrative natural resources, are able to behave differently inasmuch as their financial resources are no longer tied to specific conditions. In fact, Tom Keating, who specializes in how terrorists secure funding, posits that such groups may be the most dangerous ones.[3]

It is imperative, therefore, to understand the role that natural resources and the environment have played and still play in various violent conflicts and civil wars across the globe, both for academic research and policy making. Without including the variable of natural resources in conflict analysis, conflicts such as the Myanmar civil war cannot be understood in their entirety and will ultimately fail to provide an adequate, all-encompassing analysis, which, in turn, will compromise any solution to the conflict.

The dynamics of resource-driven violent conflict constitute a key aspect of conflict analysis because the exploitation and looting of lucrative natural resources open

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3   Gehlen, Martin: The sponsors of the IS jihadists, in: ZEIT Online 2014-06-25; Source: http://www.zeit.de/politik/ausland/2014-07/islamischer-staat-gotteskrieger-finanzierung-syrien-irak, last accessed: 2015-01-28

up opportunities for conflict parties to amass considerable wealth, which, in turn gives incentives to abandon political goals and concentrate on business. In fact, these business opportunities may fundamentally alter the goals and therefore the behavior of conflict parties (UNEP Report 2009: 11), transforming soldiers and armies with political goals into entrepreneurs and businesses which assign only minor roles to political goals or abandon them entirely. Thus, natural resources may give rise to those actors who develop an interest in deliberately prolonging conflict for economic ends. These *spoilers* sabotage peace processes because, as Ballentine & Nitzschke (2005: 3) put it, there can be "more to war than winning." The spoiling opportunities that natural resources offer are addressed by several other authors (Pugh & Cooper 2004: 35; 38; Ross 2004: 43; Lujala 2010: 16) and are treated in the subsequent chapter about spoilers.

However, as Ross (2004: 44) points out, there is an alternative theory other than prolonging conflict for economic reasons. This has to be mentioned for two reasons: the first is for the sake of completeness, the second is the relevance for the Myanmar civil war. This other theory posits that natural resources *shorten* conflict because conflict parties expect peace to be more profitable than continued war. Indeed, there have been instances of collusion where conflict parties ignored their differences and jointly exploited natural resources (Ibid.: 54). While the motivation is still of economic nature, shortening a conflict is the exact opposite of the far more popular notion that natural resources exacerbate and prolong conflict. This is a phenomenon that has also been observed in Myanmar. In later sections, this thesis will demonstrate that both prolongation and shortening of conflict due to exploitation and looting of natural resources have been part of the Myanmar civil war, despite the ostensible mutually exclusive character of this claim.

Civil wars have, of course, different dynamics, natures and reasons why they break out. As not all types that have been identified in the literature are important for this thesis, only the relevant information is dealt with in this chapter. Fearon (2004: 277), who has compared 128 civil wars in the time span from 1945 to 1999, found that those featuring *peripheral insurgencies* involving rural based guerrillas near state borders and those featuring rebels with access to revenue from contraband such as opium or coca and diamonds, are on average long and difficult to end. Both are characteristics of the Myanmar civil war. Fearon continues by stating that peripheral insurgencies are military contests aimed at rendering the other side unable to fight. This

often leads to the fighting becoming drawn out, compared with those civil wars in which combatants fight for control of the state and the capital. These conflicts are usually quite short-lived and witness quick military defeat of one of the conflict parties. Especially in cases where the non-state parties have access to revenues from natural resources, a mutual hurting stalemate can be delayed or avoided entirely, a phenomenon that can also be found in the writings of other authors (Ibid: 277; Ross 2004: 43; Pugh & Cooper 2004: 35, Ballentine & Nitzschke 2005: 5f.). Lujala (2010: 16) suggests that notably low intensity conflicts with few casualties but of long duration provide beneficial circumstances for insurgents to exploit easily lootable resources, facilitating the procurement of military resources to sustain or even improve military capabilities.

Drugs, like opium or coca, are one of these easily lootable resources and are typically subsumed under the umbrella of natural resources because they are grown and harvested as crops by poor subsistence farmers who then are taxed by insurgent groups, warlords and other actors to secure revenue. While no evidence can be found suggesting that drugs are related to the onset of civil wars, they do exert a significant influence on their duration and are therefore a factor that prolongs them (Ross 2004: 38; 52). This means that drugs do not constitute a motivation for people to pick up arms and fight for them as it has been observed in some cases with oil fields or diamond mines, but they usually come into play in later stages in a conflict when insurgents face a shortage in funding. The role that drugs play in sustaining insurgencies and conflict is highlighted in all studies concerned with natural resources. According to Le Billon (2004: 23), drugs are among the easily marketable resources that have been connected to conflict in the 1990s in at least 20 countries. This resonates with the findings of UNEP (2009: 11) which found that opium has played a major role in fueling violent conflict in Myanmar and Afghanistan.

The reason why drugs embody such a convenient commodity for insurgents is that they are easily lootable and transportable and do not require any special equipment or training apart from farming skills, which is usually not done by the insurgents themselves but by civilian subsistence farmers. They therefore generate easy revenue for any group controlling the territory where opium or coca are grown as cash crops. In addition, they also provide advantages (welfare structures) to the farmers growing the crops (Ballentine & Nitzschke 2005: 5).

Natural resources such opium and products refined from it quickly become a part of shadow and war economies. The sprawling of such economic structures coincides

with the spread of violence against civilians and other military actors. *Markets of violence* emerge in which violence is the dominant medium serving economic and power political purposes. Warlords sit at their center as the principal agents and operators (Elwert, no date available). Drugs are thus intrinsically connected to violence and shadow economic activity (as well as war economies) and may constitute a major source of financing for spoilers. Both the aspects of welfare structures and the interconnection with shadow economies are covered in more detail in the subsequent chapter about shadow economies.

3.2. Shadow and War Economies and Black Markets

The Myanmar case illustrates perhaps like no other what size and importance economic activities located outside the formal and legally accepted economic structures can reach. In much parts of the Western world such activities are seen as a deviation from legal economic activities and participation in them is considered as inherently irrational (Pugh & Cooper 2004: 6f.). On the contrary, participating in shadow economies and their black markets is a rational thing to do for many people (this aspect is covered down below). Furthermore, shadow economic activities are not confined to conflict zones or developing countries. They constitute an integral part of each and every economy in the world, including industrial countries.[4] What varies from case to case is the proportion of shadow economic activities of the whole economy. In the light of this thought, Schneider and Enste (2002: 7) introduce the concept of *dual economy* which posits that each and every economy has two sectors: an official sector (the *first economy*) and an unofficial sector with all its informal economic activities (the *second economy*). The latter may constitute the bigger part of the economy in some countries, especially those plagued by conflict. This is due to the lack of state assessment in the early stages of smaller economies and the widespread economic activity that focuses on self-sustenance (Ibid.: 29f.). The size of the shadow economy in industrial countries is significantly below 50 percent, for example in 2012 the proportion of the shadow economy in Germany was around 13.3 percent while the proportion for Greece was around 24 percent according to estimates of the EU Commission (EU Commission 2012: 6).

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4   Organized crime exists also in Europe and North America: for example drug markets, prostitution and human-trafficking. Other black market activities are for example purchasing services and paying in cash, avoiding taxation.

The misunderstanding of shadow economic structures and activities is reflected in the definition provided by the German Council of Economic Experts from 1980 which defines a shadow economic activity as a "decision against the official norms and formal institutions for economic activity" as well as in Stützel's 1980 description as an "emigration from the established ways of working" (Ibid.: 7). In how far these understandings are not only inaccurate but also inappropriate to understand life in non-industrial, impoverished countries and conflict zones and even potentially dangerous to vulnerable populations is addressed later in this chapter.

What, then, is a shadow economy or shadow economic activity? For this thesis, the term 'shadow economy' is understood as the part of a country's economy that revolves around mostly illegal activities such as the smuggling of (consumer) goods in and out of a country and their vending, the provision of unofficial and untaxed services, gunrunning, and drug production and selling. The last two are especially relevant for the term *war economy* and will be explained in more detail below. These activities are officially and for the most part not accepted as part of the 'formal' or 'legal' economy of a country (or of the first economy, in Schneider's and Enste's terms). Henceforth, the term 'legal economy' will be used to denote what is accepted in most parts of the world as legitimate business regulated by state laws and subject to taxation by a state whereas the term 'shadow economy' will refer to those above-listed activities which evade state regulation and taxation and are deemed illegal and illegitimate, or in Pickhardt and Shinnick's (2008: 123) words:

> "those economic activities and the income derived from them that circumvent [...] government regulation, taxation or observation."

The state remains the prime reference object of legal economic activities, but shadow economies, due to fact that they operate outside of a state regulated sphere, are not limited by state borders and have an inherently cross-border and international dimension. This will be addressed in the following paragraphs. It is important to note that not only insurgents may profit from this lack of regulation and transparency. There are also instances, for example in Myanmar, in which governments themselves have tapped into the business opportunities of the shadow economy. This should be kept in mind as it will be of importance later in the analysis chapter of the thesis.

The term 'black market' is used in a similar way to that of 'shadow economy'. However, while shadow economy describes the whole economic complex, black markets refer more to the actual economic action between actors on an illegal *market*

place. The term 'market place' does not refer to a concrete location but to an abstract concept of it, for example "arms can be illegally purchased on Myanmar's *black markets*." This does not denote a concrete location but it implies the existence of illegal structures through which illegal goods such as arms can be acquired.

A war economy can be understood as either a part of a shadow economy or a different manifestation of it. In fact, in a case like Myanmar, it is difficult to tell them apart inasmuch as they have become intertwined during the last decades. Henceforth, the term 'war economy' will be understood as an integral part of the shadow economy that specifically deals with the illegal proliferation and provision of arms and other military supply and the production and vending of drugs as well as the taxation mechanisms used to sustain military actors. It is the part of the economy that sustains and prolongs war by enabling

> *"combatants and war entrepreneurs to avoid the pressures for settlements that might otherwise arise from the exhaustion of highly localized resources, including manpower." (Ibid.: 3)*

Ballentine and Nitzschke (2005: 2) have compiled a list of distinctive features of war economies. According to them, war economies are characterized by the destruction or circumvention of the formal (legal) economy, the usage of violent means such as pillage, predation, extortion and use of violence against civilians for economic and power political ends. They are, furthermore, highly decentralized and privatized. War economies are linked to thriving cross-border trade, regional kinship and ethnicity, arms trafficking and mercenaries. As all of these features can, arguably, also be attributed to shadow economies, this thesis will continue for the most part to use the terms 'shadow economy' and 'black markets' to describe the activities of actors while the term 'war economy' will be occasionally used when deemed necessary.

In order to understand the Myanmar civil war and why it has outlasted most other civil wars that began at the same time, it is necessary to address shadow economic activities. Its extraordinary length and its complex conflict dynamics are, among other factors, the result of wide-ranging and vibrant economic activities outside the formal economy that have given birth to a fully-fledged and all-pervasive war economy. An essential part of the analysis chapter of this thesis is therefore to highlight its importance for both the civil war itself and the opportunities it offers for potential spoilers. The shadow economy is therefore crucial for the *structural* aspects of the spoiler concept.

Countries plagued by violent conflict typically develop much bigger shadow

economies than for example most European industrial countries. This is not only because the conflict keeps the country in a permanent state of instability and unrest but also because it opens up business opportunities that were not lucrative because of lack of demand. The demands can range from simple consumer goods that cannot be imported to arms that conflict parties need to fight their wars. In fact, since the 1990s researchers have increasingly acknowledged that armed conflicts can create new forms of profit and power and that an abundance of resources may let armed groups mutate into criminal organizations devoid of any political aspirations (Melvin & de Koning 2011: 43; 46).

Shadow economic activities extend beyond national borders and are thus never confined only to a single state. The shadow economy of a state has at least regional linkages. Potentially it reaches even further, well beyond the actual war zone and it may go as far as linking the it to the world's commodity markets and financial centers (Ballentine & Nitzschke 2005: 2). Any analysis of or intervention against shadow economic activity must therefore take a regional or international perspective if it seeks to understand how the shadow economy functions and influences violent conflict. Pugh and Cooper (2004: 3; 25-30) posit that this is the major flaw in most international interventions against shadow and war economies: the narrow focus on a single country fails to capture the full scope of smuggling activities, the revolving door behavior of mercenaries, the importance of security in marginalized borderlands and how spoilers often use the regional networks to utilize neglected resources.

Marginalized and impoverished borderlands with porous borders form an integral part of exuberant and all-pervasive shadow economic activity because they are in many cases not under the control of any form of state government. They constitute an incubator, or "neuralgia spots" as Pugh and Cooper call them, for warlordism, gang violence and the smuggling of various goods (especially arms and drugs), all regionally connected via cross-border trade (Ibid.: 37). The same line of thought can be found in Richard Auty's (2004: 29) writing in which he posits that it is porous national borders that feed civil strife and violence. This goes hand in hand with the abuse of impoverished populations at the hands of warlords, gangs, militias and other actors who, in the vacuum of the absence of any stable societal structure, create their own rules and norms and enforce a violent scheme on the populations in the territories they control. Without unstable borderlands, widespread and all-pervasive shadow economic structures could not exist. They provide the structural circumstances, that is to say a

political and administrative vacuum, without which neither the supply for war economies nor the wide-ranging drug production and vending would be able to function. Naturally, peripheries and borderlands are often of great importance in civil wars inasmuch as insurgents (or other actors) use them as areas for retreat and organizing themselves, frequently cutting them off from government control and creating what rebels often call "liberated zones." Within these areas the aforementioned violent schemes emerge in the absence of legal authority and give rise to extensive shadow economic activities and markets of violence, in which violence is a defining factor that shapes human co-existence (Kramer et al. 2014: 37).

However, shadow economies and their black markets are more than just illegal activities fostering violence, poverty and civil war. A major and often neglected characteristic, which undoubtedly explains its world-wide prevalence and allure, is the welfare structures they provide. The usual characterization of shadow economies falls short of understanding the most simple, yet important factor that lure many individuals into participating: survival. Shadow economies, in fact, create employment and provide people with jobs the legal economy cannot provide them with. Despite the perception in the West that participation in shadow economies is irrational, it is in reality often the only way that poverty-stricken people especially in marginalized borderlands can provide for themselves and their families, a fact echoed in the recent report of UNODC on the drug production in Lao PDR and Myanmar (UNODC SEA Opium Survey 2014: 17). The average person therefore can profit from shadow economies, although the largest share of the profits is accumulated by those who control the black markets (Pugh & Cooper 2004: 6f.), for example regional business tycoons and warlords. That shadow economies are an ambivalent phenomenon with the potential to fuel conflict and provide livelihoods is also echoed in recent research (Melvin & de Koning 2011: 49). It is crucial to understand this because too often have international interventions treated shadow economic activities as a negative spin-off or deviation of legal economies, not least because the development aid and cooperation nexus is almost solely in the hands of Western countries for whom shadow economic activities of a larger scale are an alien phenomenon. It follows, therefore, that a large portion of those working within the shadow economy are not driven by greed and desire to do business but by poverty and the desire to sustain themselves and their families. Poverty is intrinsically connected to any shadow economic activity, especially in the case of Myanmar (Kramer et al. 2014: 7).

Shadow economies cannot be destroyed, they must be transformed into a legal economy (Pugh & Cooper 2004: 3f). While this may include co-opting those who made their fortune through criminal activities, it also includes the transformation of, for example, poppy or coca cultivation into the cultivation of other cash crops. The transformation is only possible if the local level of the economy is considered. However, the local economy is a factor that contemporary peace-building strategies, which focus on macroeconomic aspects, often neglect (Ibid.: 11).

In order to understand how civil wars can be sustained for longer periods of time and how some actors acquire the resources to become effective spoilers of peace processes, shadow economic activities along with their transnational characteristics have to be taken into account. This holds especially true for the case of Myanmar where the shadow economy has been utilized by virtually each and every actor involved in the conflict, including the government itself. The subsequent chapters will address all these issues together to answer the research question of the thesis. The following subchapter introduces the theoretical concept used in this thesis, the concept of spoilers in peace processes.

3.3. The Spoiler Concept

A common characteristic of peace processes is that they are complex and multifaceted and include a considerable amount of stakeholders. A variety of obstacles can prevent conflict from being resolved peacefully, one of them is the deliberate sabotage of peace making efforts. Actors, which can be both individuals or organizations like militias, who undermine or at least attempt to undermine a peace process are called *spoilers*.

The acknowledgment of spoilers as a major obstacle to peace in both academic research and policy making is a phenomenon of the last 20 years. In 1997, Stephen Stedman was the first to present a comprehensive framework for the analysis and handling of spoilers in peace processes. He did so in his article *Spoiler Problems in Peace Processes* in the International Security journal. Stedman defined spoilers as actors who perceive peace as the result of negotiations as detrimental to their power, worldview, and interests and therefore engage in violent spoiling behavior to undermine the attempts of making peace (Stedman 1997: 5). The article is written from the perspective of external actors acting as facilitators and overseeing the implementation of peace agreements, these actors are labeled *custodians of peace processes* (Ibid.: 12). A

consequence of Stedman's article was a vivid debate on spoilers among academics which has resulted in plenty of other publications dealing with the undoubtedly evident and problematic phenomenon of spoilers in peace processes. This debate is still continuing.

Stedman's original concept has been subjected to both criticism and acclaim and various scholars have taken up the idea while developing it further. The spoiler concept has flourished since, and bifurcated into a variety of concepts that all have their roots in Stedman's article from 1997. The alternative and advanced concepts that have succeeded the original one added new perspectives, new actors and other aspects which are important to consider in the academic approaches to spoilers in peace processes.

The three most relevant pieces of literature for this thesis include Stedman's original, Kelly Greenhill and Solomon Major's *The Perils of Profiling Civil War Spoilers and the Collapse of Intrastate Peace Accords (2006/2007)* and Desirée Nilsson and Mimmi Söderberg Kovac's *Revisiting an Elusive Concept: A Review of the Debate on Spoilers in Peace Processes (2011)*. These articles were chosen because they constitute a classic dialectic of thesis, antithesis and synthesis, a process that is elaborated on further below.

Greenhill and Major have criticized Stedman's concept as being too actor-centered and proclaimed that the structures and the environment in which stakeholders act are of higher importance. They consider the relative power balance between stakeholders and the opportunity structures to be more crucial than the actors themselves. They call their spoiler concept a *capabilities-based model*.

In a response to their article, Nilsson and Söderberg Kovacs criticize Greenhill and Major for putting too much emphasis on structures. They propose a middle way between them and Stedman. An adequate concept should pay attention to both actors and structures in order to create a comprehensive lens through which conflicts, peace processes and spoilers of peace processes can be seen.

The three articles constitute the key elements to the spoiler concept used in this thesis, augmented by contributions of additional authors that are considered relevant for an adequate concept of spoilers.

The following sections of this chapter will introduce the reader to the different spoiler concepts of Stedman, Greenhill and Major and Nilsson and Söderberg Kovacs in more detail. The articles should be seen as an almost evolutionary step-by-step process leading up to the theoretical framework of this thesis.

3.3.1. Stedman: The Inception of a Concept (1997)

When Stedman published his article *Spoiler Problems in Peace Processes* in 1997, he paved the way for the academic assessment of an evident phenomenon: actors which sabotage the peaceful resolution of conflicts or at least attempt to do so. According to him, it is relevant to ask *who* rather than *what* constitutes a threat to peace (Stedman 1997: 53). The motivation for spoiling behavior derives from the spoiler's perception that peace is detrimental to the own power, worldview or interests. The spoiler, therefore, attempts to prevent peace from materializing by using violent means which results in a perpetuation of conflict. This definition implies that a spoiler only exists in relation to a peace process. It lies in the nature of a peace process to create spoilers because without a peace process, there is nothing to spoil (Ibid.: 5; 7). The notion of the nature of peace processes and spoilers resonates with the aforementioned observations that have preceded and influenced the selection process of a thesis topic. Indeed, Stedman pinpoints it succinctly when he posits that

> *"it is rare in civil wars for all leaders and factions to see peace as beneficial. Even if all parties come to value peace, they rarely do so simultaneously, and they often strongly disagree over the terms of an acceptable peace."*

He continues:

> *"A negotiated peace often has losers: leaders and factions who do not achieve their war aims. Nor can every war find a compromise solution that addresses the demands of all the warring parties"* (Ibid.: 7).

These observations of integral parts of peace processes highlights how much fertile ground and reasons exist for spoiling behavior.[5]

Stedman proceeds further into the phenomenon and posits that custodians of peace face several problematic issues about spoilers. These issues differ across the dimensions of *position* in the peace process, the *number* of spoiler, the *locus* of the spoiler problem and the *type* of spoiler.

The position describes whether a spoiler takes part in the formal peace process or if it is excluded from participating. This is important because it demonstrates on the one hand the problematic question of who should be included in the process (a decision

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5 A major part of Stedman's article is a discussion of five different peace processes to which he applies his spoiler concept, highlighting cases which support these claims. They will not be discussed in this thesis.

that has to be made by the custodians and other stakeholders in the peace process) and on the other hand that spoiling behavior might be an expression of a desire to *become* part of the process. It is therefore important that the custodians are aware of the inside-outside divide and the possible consequences of leaving an actor outside the process.

The number of spoilers is a simple, yet important issue. As it is possible that more than one actor seeks to compromise a peace process, the custodians of the process must understand that these spoilers have a relationship as well and that measures taken to react to the spoiling behavior of one actor are likely to influence the behavior of another. The higher the number of spoilers or potential spoilers, the more complex the peace process becomes.

The locus of the spoiler problem is, in contrast to the numbers, a more complex issue. While the position is concerned with the relationship between an actor and the peace process, the locus describes the location of spoiling behavior *within* a spoiler, for instance if the spoiling behavior either emanates from the leadership of an organization or from its followers (or both). This factor implies that the origin of spoiling behavior may have several loci and that the reasons behind it are far more complex than they may seem at first glance. In order to sustain a peace process and to mitigate spoiling behavior, it is necessary to learn about the internal structures of the actors inside and outside the process and who and what influences their actions. A narrow focus only on the leadership of a militia might conceal that the actual locus of the spoiler problem is the rank and file, or vice versa (Ibid.: 8f.).

The remaining issue is the type of spoiler. In Stedman's list, the type comes third before locus, here it is discussed last because it is arguably the most controversial item on his list and a major part of the critique leveled at Stedman's concept concerns his typology of spoilers. According to Stedman, a spoiler can be either a *limited*, a *greedy* or a *total spoiler*. These categories are fix and the spoiler type usually does not change. The type depends on the goals the spoiler is pursuing and the type, in turn, defines the appropriate measures to react to spoiling behavior. A limited spoiler has only limited goals, for example political recognition, a share of power or, as mentioned earlier, to become a part of the peace process if it is located outside the formal process. A greedy spoiler's goals are subject to a cost and risk analysis and the demands shrink and expand depending on how favorable a spoiler perceives the circumstances and its own position in relation to other actors. Total spoilers constitute the most problematic type. They see the world in all-or-nothing terms, they pursue total power, refuse to compromise and

lack a sense for pragmatism. The goals and demands of total spoilers do not change and they are therefore the most difficult to handle and the most perilous to a peace process (Ibid.: 10f.).

The approaches to handle spoilers are manifold and depend on the spoiler type, which is why a precise analysis of the spoiler type is highly important. The strategies applied must match the spoiler type. (Ibid.: 14). A wrong measure may turn out ineffective and not altering a spoiler's behavior at all but it may also exacerbate it. Stedman suggests three major strategies custodians can adopt when the peace process is threatened by spoilers: *Inducement*, *Socialization*, and *Coercion*.

Inducement is a strategy which gives in to a spoiler's demands and thus gives it what it asks for. The strategy assumes that spoiling behavior can be terminated by removing motivations to spoil. It can take the form of something concrete, such as guaranteeing a share of power, or something lax, such as promising a continued role in negotiations. Inducement works best against limited spoilers who spoil for specific reasons and who have concrete demands. Greedy spoilers can be brought into the peace process in the same way but it is far more risky to induce them because any form of inducement might feed their greed for more (Ibid.: 12ff.). Total spoilers cannot be accommodated and inducement is therefore futile (Ibid. 14.).

Socialization refers to a process started by custodians that alters spoiler behavior by establishing a set of norms for acceptable behavior. These norms are then the framework for the peace process and the behavior and any demands by actors will be judged against the backdrop of these norms. Spoilers are then exposed to both material and intellectual components of the strategy, the first being a careful application of punishment and reward and the latter being regular attempts of persuading the spoiler of the value of the set of norms (Ibid.: 13). Socialization works well on limited spoilers and it is entirely useless against total spoilers. A greedy spoiler demands long-term socialization efforts to bring it into the peace process in combination with inducement and coercive measures.

Coercion is the most aggressive strategy which employs the use or threat of punishment of actors for their spoiling behavior. The different forms of coercion include the use or threat of military force to bring a spoiler to its knees to take away its capacities to spoil, to threaten to withdraw entirely from the process, to use coercive diplomacy or to use the *departing train strategy*. Stedman claims that coercion is the only strategy that works against total spoilers. The departing train is a metaphor for a

coercive strategy that signals the total spoiler that the peace process will go forward regardless if it comes on board or not and it is up to the spoiler whether it will be part of any future agreement. Withdrawal is based on the assumption that a spoiler desires international presence and that withdrawing it will make it give in. Limited and greedy spoilers can be brought into the process by coercion as well but the strategy is risky in any case because it might exacerbate the conflict. Coercive measures should be applied with utmost care and avoided if they are not deemed necessary (Ibid.: 13-16). Limited and greedy spoilers are more likely to be accommodated through inducement and socialization.

Stedman readily acknowledges that he describes only simplified versions of possible strategies and the forms they may take in practice, a hint that the concept he lays out in the paper is merely in its infant stages (Ibid.: 12). It is, however, comprehensive and logical and offers a suitable basis for further development. Major criticism is mainly leveled at his spoiler typology and the strong focus he puts on actors while neglecting almost entirely the social, political and economic environment in which stakeholders act. The strong emphasis he puts on actors represents in a way an extreme end of a spectrum of explanatory factors which will be looked at below. The following subchapter wills shed more light on the criticism that other scholars have directed at Stedman, but before that a few more remarks are necessary on Stedman and his concept with regard to this thesis.

While the concept which he lays out in his article is undoubtedly a major contribution to the understanding of peace processes, the obstacles they may face and the reasons they may fail, the concept in its original shape is not usable for this thesis. Firstly, this is because the spoiler types he lays out are too inflexible for a long-lasting and multifaceted conflict as the civil war in Myanmar. The violent conflict in the country has changed its course so many times and actors have come and gone. A concept that is appropriate for this conflict needs to be more flexible. Secondly, Stedman's model cannot be used because the social, political, and economic environment is of fundamental importance to understand the conflict in Myanmar and is intrinsically connected to questions of poverty and socioeconomic dislocation. A concept that pays no attention to the environment in which people are living and in which stakeholders act is not suited for a comprehensive conflict analysis. And lastly, Stedman's model looks only at those actors which have already attempted to sabotage a peace process and which are therefore visible, manifest spoilers. Potential spoilers have

no place in his model. A model to analyze the civil war in Myanmar needs to include potential spoilers, possibly even more than it needs to consider manifest ones, since so far no obvious spoilers from the drug business have appeared. However, since the peace talks are ongoing and the situation remains unstable, it is highly important to use a model that looks at stakeholders that might become spoilers throughout the peace process. Hence other versions of the spoiler concept are discussed below to make up for the shortcomings of Stedman's model. It is, however, necessary to review Stedman's original concept in much detail because all the following issues are built on it and the steps of evolution would remain unclear if no adequate attention would be paid to where the concept originated from.

3.3.2. Greenhill and Major: The other End of the Spectrum (2006/2007)

Kelly Greenhill and Solomon Major are advocates of a spoiler concept that can be located at the other end of an actor-structure spectrum. They refer to their own model as a capabilities-based model as opposed to the spoiler model of Stedman. The authors posit that Stedman's model focuses too much on actors while it neglects *opportunity structures* which influence how stakeholders act in peace processes. For them, the way stakeholders behave and whether they resort to spoiling behavior depends for the most part on the social, political, military and economic environment and their own relative position in the power structures vis-à-vis other stakeholders. Or, in their words: "*Spoiler behavior is thus, we posit, more closely causally linked to strategic exigencies than to individual motivations*" (Greenhill and Major 2006/2007: 12). They do acknowledge in their preface that individuals play an important role in peacemaking but ultimately, their model largely ignores them (Ibid.: 8).

Greenhill and Major perceive Stedman's model as upside down and seek to rectify it: not the spoiler type defines the possible outcomes of a peace process but, conversely, the outcomes that are possible define how stakeholders behave and if they engage in spoiling behavior (Ibid.: 8). Stakeholders are motivated by distribution of power and they therefore adjust their goals (but not their preferences) according to their own position in the current relative power structures. (Ibid.: 9). Their position in the power structures shifts along with their goals and how far they go to achieve them, always according to where they perceive themselves in relation to other stakeholders. Grenhill and Major therefore posit that whether or not an actors becomes a spoiler is a

question of self-perception:

> *"Rightly or wrongly, if combatants believe they have the capacity to unilaterally achieve a better deal than the one on the table, they are likely to resort to spoiling behavior" (Ibid.: 12).*

Their model recognizes two important factors which Stedman's model is not taking into account: Firstly, it considers flexibility and unexpected changes in power structures. An actor that used to be powerful enough to bring down the peace process might be reduced to a minor player during the process while a formerly weak actor can potentially be empowered to become a successful spoiler. Secondly, and as a consequence of the first factor, it allows the inclusion of potential spoilers.

The missing variable of potential spoilers is a major point of critique leveled at Stedman. Greenhill and Major emphasize how problematic it is to pay attention only to already established and widely recognized individuals or groups because this perspective neglects all those weak actors that would oppose the implementation of a peace accord if they would be capable of doing so (Ibid.: 10).

The bottom line is therefore that Stedman's typology of spoilers is not only inflexible but also inadequate because in a sense every spoiler is a greedy spoiler who makes decisions based on a cost and risk analysis, always according to the own position in the power structures, sometimes demanding more, sometimes less, and sometimes even the impossible (demands of a total spoiler). This means that spoiler type cannot be a fix category, it is in flux and subjected to change. Pressing an actor into a fix category is futile since its behavior might change any time. Ultimately, every actor will be as greedy as it *believes* it can afford to be based on the current power balance, (military) capabilities, resources and other environmental factors (Ibid.: 22).

As an example of how the behavior of an actor changes, Greenhill and Major refer to the cases Stedman used himself to explain and illustrate his model: Angola and Cambodia.

To disprove the importance of individuals, the authors pick the political leading figure Jonas Malheiro Savimbi, in his days leader of the União Nacional para a Independência Total de Angola (UNITA). According to Greenhill and Major,

> *"Savimbi's switch from a nonspoiler prior to Angolan independence (late 1960s, early 1970s), to greedy spoiler (1991), to total spoiler (1992), to limited spoiler (1994), and back to total spoiler (post-Lusaka) reflected changes in the distribution of power and demonstrates that spoiler type is dependent on the situation on the ground rather than the other way around." (Ibid.: 23).*

In the Cambodian case, they posit that Hun Sen and his personality were of much less importance than the structural environment in which he and his Cambodian People's Party (CPP) operated:

> *"In short, the SOC/CPP transmuted from a nonspoiler to a greedy spoiler to a total spoiler, shifting its position based on changes in the balance of power and the prevailing opportunity structure, not on any of Hun Sen's fundamental character traits." (Ibid.: 36).*

They sum up their major critique leveled at Stedman by saying:

> *"By maintaining that spoiler type determines success or failure in the peace process, the spoiler model treats spoiler type as the independent variable"* and *"the distinction between limited, greedy, and total spoilers is situation dependent and not actor dependent" (Ibid.: 36).*

The authors have made clear that they in principal support the idea that spoilers exist but they disagree how to classify them and that a certain type predicts possible outcomes of a peace process. They made valuable contribution to the understanding of spoilers and why they emerge but their model is not without flaws, either.

Greenhill and Major overemphasize the importance of structures. While it is clearly necessary to pay attention to the structures in which stakeholders operate, their strong contradiction to Stedman's actor-centered approach makes them neglect the role individuals play both in peace processes and in steering decisions of organizations and institutions. Although they initially posit that individuals play a significant role, their model ultimately does not include them. The structure-centered approach removes any agency from actors and renders them mere slaves to their surroundings, making it a valuable contribution but not a suitable model for an analysis of the Myanmar conflict. They go too far to the other end of the actor-structure spectrum and miss the chance to find a middle ground between the two poles.

The next article reviews the different models of the spoiler concept and tries to create a model including the poles of both ends of the spectrum which is more applicable and inclusive.

3.3.3. Desirée Nilsson & Söderberg Kovacs: A Middle Ground (2011)

In 2011, Nilsson and Söderberg Kovacs reviewed the different versions of the spoiler concept that have emerged since Stedman's original in 1997. Against the backdrop of the variety of models, the authors propose a middle ground between an actor- and a structure-centered approach. They argue that both factors should be included to create

an applicable and comprehensive model since both actors and the structural environment of a peace process are likely to explain the emergence of spoilers (Nilsson and Söderberg Kovacs 2011: 614). The article constitutes therefore the third step in the evolution of the spoiler concept inasmuch as it tries to bring a variety of strands together into a single model: thesis, antithesis, synthesis. A classic dialectic.

Nilsson and Söderberg Kovacs highlight several aspects of the spoiler concept that need to be taken into account before using it. The first is that the concept has clear powerful normative underpinnings. In fact, some authors suggest that the concept derives and gains its meaning only in relation to the core of the liberal peace building paradigm. This means that,

> *"consequently, actors that behave according to the expectations of this normative framework will be considered to raise fair and legitimate demands, whereas those that disagree will per definition be viewed as spoilers, which in turn determines how the key peace custodians respond to various actors in the peace process" (Ibid.: 609).*

In addition to that, Newman and Richmond remark that what constitutes spoiling behavior depends on the *perception* of demands. This means that *subjectivity* is an integral part of spoiling (Newman and Richmond 2006a: 103). One party's demand may seem perfectly rational and justified to one side while another party's perceives it simply as spoiling by raising unreasonable demands. It is important to have this in mind but as of now, a spoiler concept that is not depending on the liberal peace building paradigm has not been suggested. This limitation is however not preventing the concept from being used in this thesis, as it is believed that it holds still merit for an analysis of the civil war and peace process in Myanmar. The consequences of this normative foundation is discussed towards the end of this thesis.

The authors furthermore point out that in order to use the concept, the user has to clarify a number of issues so that the concept is not becoming unusable. Firstly, the user has to answer the question of what the variable under scrutiny is. Is it the motivation for spoiling? Or the consequences of spoiling behavior on the outcomes of a peace process? (Nilsson and Söderberg Kovacs 2011: 608; 612). Secondly, it is necessary to have an operational definition of spoilers, and thirdly, the model has to be clear whether it includes only manifest or latent spoilers or both (Ibid.: 610).

The article conflates arguments from other authors to build their own theoretical model. One major contribution comes from Marie-Joëlle Zahar and her article *Reframing the Spoiler Debate in Peace Processes (2008)*. She posits that the use of

violence is only one of several means that stakeholders can use to spoil a peace process, in fact, the typical spoiler rather systematically refuses to negotiate or resorts to promises which it does not intend to keep (Ibid.: 611). In the articles discussed earlier, spoiling was implicitly equated with violence. Furthermore, they highlight Newman and Richmond's (2006a) observation that indeed, the destruction of a peace process is merely one possible motivation for a spoiler. Spoiling may also be used to shape a peace process in their favor and to pressure the other actors involved. They readily admit that spoiling may also have productive result, for example the inclusion of new actors and their interests, the recognition of new actors and potentially concessions and compromise (Newman and Richmond 2006b: 6). A possible goal can for example be the aforementioned desire to become part of the peace process if the actor is currently not sitting at the negotiation table. This partly positively connoted side of spoiling behavior may not only be counter-intuitive to what most people would probably assume, it is furthermore an expression of the fact that the possible outcomes of a peace process are not limited to the dichotomy of successful versus failed peace process. On the contrary, a peace process is a complex, multifaceted process involving a variety of different actors, interests and goals. Reducing the possible outcomes to a two-sided coin fails to encompass and comprehend the complexity of both the conflict itself as well as its underlying dynamics.

Besides the different forms that spoiling behavior can take, another important question is who the addressee of spoiling behavior is. The other two models have at least implicitly assumed that acts of spoiling are primarily addressed to other stakeholders or the custodians of peace processes. Nilsson and Söderberg Kovacs, however, bring in an argument by Wendy Pearlman (2009) who, based on studies of Palestinian politics, posits that the targets of spoiling (or peacemaking, for that matter) are not necessarily limited to those actors at the other side of a negotiation table but that the target might also be their internal constituencies. (Nilsson and Söderberg Kovacs 2011: 618). This resonates with Stedman's notion of *locus*, although he himself did not take this specific aspect into consideration. In some peace processes it might be therefore relevant to assume that the motivation for spoiling behavior is not only to gain something from other stakeholders involved but also to demonstrate the own followers for example strength, goodwill, readiness to compromise or readiness to sabotage.

Nilsson and Söderberg Kovacs' review of the different models then takes a turn and comments on the shortcomings of the structural model as it was conceptualized by

Greenhill and Major. They criticize a too heavy focus on structures and remark that the model is oversimplifying the range of strategic considerations that actors take into account beyond the resources they have and beyond the risks and costs of spoiling behavior. Furthermore, Greenhill and Major neglect an important argument by Stedman which is that spoilers do not only resort to spoiling because the situation allows it but also because they *want* to spoil. (Ibid.: 613). The structural model therefore fails to explain spoiler behavior in cases where potent and resourceful spoilers signed and honored peace agreements, even though the structures and the relative power balance would have potentially allowed them to gain more by spoiling than by making peace: The authors conclude their critique by stating:

> *"Hence, like some other writers in the field, we too believe that both the character of the group itself and the structural environment of the peace process are likely to be of importance for the emergence of spoilers." (Ibid.: 617).*

Ultimately, a proper spoiler concept should be oriented along the lines of manifest vs. latent spoilers, violent vs. non-violent means, analysis of spoiler actions vs. analysis of outcomes and spoiler prevention vs. spoiler management (Ibid.: 623f.). The concept that is laid out in the following subchapter will make use of this advice. Nilsson and Söderberg Kovacs provide a useful overview of the variety of different spoiler concepts and contributions that other researchers have made to the concept. Their nuanced criticism aimed at especially Greenhill and Major shows that their structural concept suffers from certain shortcomings but does not discard the model entirely. A middle way between Stedman's actor-centered and Greenhill and Major's structure-centered approach is more likely to form a comprehensive analytic model through which spoilers can be understood. The model constructed for this thesis should therefore include a lens for the actors in the peace process and civil war in Myanmar, their history and the involved personalities but it should also consider the structures and the environment in which these actors are operating.

3.3.4. The Concept used in this Thesis

At this point it might be useful to remember that the purpose of the thesis is to find out whether there are actors in Myanmar which are involved in the drug business that have an interest in prolonging the civil war for power political and economic reasons. In accordance with Nilsson and Söderberg Kovacs advice, it should be made clear that the

research interest is primarily to *explain spoiler actions and why they occur* (Ibid.: 612) and not what the possible outcomes of these actions are. The goal is to conclude in the end whether spoilers, or latent spoilers, are a relevant obstacle to Myanmar's nationwide ceasefire process and to highlight how closely interlinked the drug business is with both poverty in the periphery and violence against other armed groups and the civilians who cultivate and farm the poppy. The following will be the working definition of spoilers, condensed from the different pieces of literature:

> *Spoilers are actors which perceive a nationwide ceasefire agreement as being detrimental to their power, economic activities or worldview and therefore seek to either undermine it or try to shape it in their favor by using a variety of means, of which one can be violence. A spoiler's behavior is influenced both by individual decision-making and the structural environment in which it is operating.*

What concept, then, would be suitable to answer the research question of this thesis? And what properties are necessary to make it applicable to a complex and long-lasting conflict such as the Myanmar civil war? A concept for this purpose needs to have the following characteristics: it must include both actors and structures, it must be flexible and reject rigid categories, it must have space for both manifest and latent spoiler. The spoiler category should be oriented along the lines of three of Stedman's four issues in peace processes: position, numbers, and locus but not spoiler type.[6]. It focuses on spoiler analysis and spoiler prevention. The concept must also acknowledge that spoiling behavior is a *subjective* description for behavior *perceived* as detrimental to peace. Why are these characteristics necessary?

The complexity of the Myanmar civil war, its long duration, the myriad amount of actors and the fluctuating political, social, religious and economic circumstances require that the concept includes a component for actors and one for structures. The conflict has been shaped undoubtedly by actors such as the Tatmadaw, various insurgency groups, warlords and gangs and militias. While the argument that they all adjust their behavior to where they perceive themselves in the relative power balance vis-à-vis the other actors is hard to refute, the behavior of an actor also depends on decisions made by its leadership or the rank and file. These decisions may not be made based on risk and cost analyses and they may contradict any apparent logical and

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6   It is necessary to mention that the concept used in this thesis is not crafted from the perspective of custodians of peace as is the concept of Stedman and others. This is because there are no custodians of peace in the Myanmar peace process. The talks are held between the government and the insurgent groups without an external mediator or negotiator. Only facilitation is provided e.g. through the 'Myanmar Peace Support Initiative' of the Norwegian government.

rational behavior. Decisions are made by human beings and human beings make irrational decisions. Or, as Nilsson and Söderberg Kovacs have condensed from Stedman's article, spoilers resort to spoiling behavior because they *want* to, not only because they have the opportunity to do so (Ibid.: 613). The concept can therefore reject neither the importance of actors nor how opportunity structures shape behavior and therefore spoiling behavior (or whether or not an actor resorts to spoiling).

Rigid spoiler categories are unsuitable for this conflict because they do not reflect its complexity and the variability of power relations and actor constellations. If structures, which influence the behavior of an actor, are part of the analysis, rigid categories are an impossibility. The actors in the Myanmar conflict cannot be understood in absolute, rigid terms, they cannot be put in a box with a label. They, in fact, demonstrate how goals and demands, as well as means to achieve them can, change over a longer period of time. This fact cannot be adequately described and captured by fix categories as Stedman has proposed in his concept and hence spoiler categories are not used in this thesis.

The spoiler concept must include both manifest and latent spoilers because both the ceasefire talks and fighting between the Tatmadaw and various insurgent groups are continuing while this thesis is written. Potentially, new spoilers might emerge at any time and it is important, especially for the purpose of this thesis, to include those in an analysis that might have not engaged in spoiling behavior so far but that might do so in the future if the peace process reaches a certain point or if power balances or leadership of actors change. The latent spoiler criteria therefore takes into account that there are actors that are under the current circumstances not spoiling but, for whatever reason, that they might do so if the circumstances change. The thesis is generally more concerned with latent spoilers. This is a technical decision because no actor with connections to the drug business has engaged in spoiling behavior explicitly to protect its business so far. It does not stem from a believe that manifest spoilers are of lesser importance than latent ones; it is a matter of factuality.

Since latent spoilers are of more importance for this thesis, spoiler analysis and spoiler prevention are of principal concern. However, spoiler management is not part of the framework due to the lack of manifest spoilers that demand management. The purpose of this thesis is to point out and analyze actors that might engage in spoiling behavior because of their connections to the drug business and because they want to preserve their business model and lifestyle. Attention must be paid therefore to who the

actors are, which goals they pursue, and what measures can be taken to prevent them from becoming spoilers. Especially the last question coincides with the question of future policies that will have to address the poppy cultivation and the drug production, which, in turn, are intrinsically connected to poverty and lack of agricultural alternatives of the population in the peripheries of Myanmar. In addition, Newman and Richmond's (2006a) notion about the different possible motives of spoiling behavior have to be included. It is possible that some of the actors involved may use spoiling only as a means to shape the peace process, not to destroy it. Businesses can be maintained even under conditions of peace if the ceasefire agreement is drafted in their favor. The thesis is therefore not only looking at those actors who attempt to sabotage the peace process altogether.

Position, number and locus must be included because all three of them matter when looking at peace talks: who participates and who does not? How many actors are there, how many of them are potential spoilers and what is their relationship? And from where in the internal structure of an actor emanates the spoiling behavior? Even though there are formally no custodians in the Myanmar peace process for which Stedman formulated these issues, they may as well be used for academic analysis of the conflict like in this Master's thesis.

The theoretical framework for further analysis therefore will be made of the items laid out in the following. It is important to note that the most important period of time to which the concept is applied is the one from 2011 until today. This is because the government since 2011 is the most reformist government since decades and the one that has shown the highest interest in a comprehensive and inclusive ceasefire agreement. The 2011-present time period and its peace process are therefore the period under scrutiny. However, in order to understand the behavior of actors, occasional recourse is necessary until 1989, sometimes until independence in 1948.

The first variable is the actor-variable. It will include the main actors in the conflict and the ceasefire talks and will focus on the relationship they have, the history they share and the behavior they have shown in the past years as well as the locus of potential spoiler behavior. The second variable is the structural environment of the Myanmar civil war and deals with the factors which enable actors to spoil in the first place: for example the fragmentation of rebel groups, the importance that opium had and still has for both the insurgent groups and the successive military governments, the pervasiveness of poverty, especially in the peripheries, and how poverty is intertwined

with the drug business. These two variables are discussed together because it is impossible to not recur to structures when talking about actors and vice-versa.

The concept will be applied after the following chapter has introduced the reader to the complex and dynamic political, cultural, societal and economic situation of contemporary Myanmar, against the backdrop of its conflict-stricken history.[7]

4. Context: History, Conflict Dynamics and the Golden Triangle

The pursuit of looking for spoilers in the Myanmar case has to be done against the backdrop of its recent history, the dynamics of the long-lasting civil war and the region called 'the Golden Triangle' where a major portion of the world's opium is produced.[8] The historical part covers the time from 1947 until today in which Myanmar, known as 'Burma' until 1989, became independent, experienced civil war and was ruled by several civilian and military governments.

4.1. Contemporary Myanmar

Located at the Southwestern tip of Southeast Asia and the Association of Southeast Asian Nations (ASEAN), Myanmar is one of the most ethnically diverse countries in the world and home to approximately 51 million people. Roughly two thirds belong to the majority population of the Bamar, who, for the most part, follow Theravada Buddhism. The other third is composed of various ethnic, linguistic and religious groups. The biggest minority groups are the Shan, Karen, Rakhine, Chin and Mon plus significant minorities of Chinese and Indians. Other religions besides Buddhism are Christianity, Islam and various animist religions. Contemporary Myanmar is the result of colonialism inasmuch as many of the regions and ethnic groups that belong today to the country have never been part of the kingdoms and realms of Burmese rulers before the British arrival. This includes for example the Wa hills in the Northeast.

The government lists 135 official ethnic groups inhabiting Myanmar while some scholars claim that 30 to 40 different groups is a more realistic number (Lintner 2007: 110). Myanmar borders Bangladesh to the West, India to the Northwest, China to the

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7 Due to the length of the thesis, only a rough sketch is possible that includes the relevant information to answer the research question.

8   The 2012 Word Drug Report by the UNODC concluded that around 20 percent of the global poppy cultivation is taking place in Myanmar and Lao PDR (with Myanmar having the much larger part) while Afghanistan hosts 63 percent (UNODC WDR 2012: 27).

Northeast as well as Laos and Thailand to the East. The South and West form a roughly 1900 kilometer long coastline along the Bay of Bengal and the Andaman Sea. The Myanmar-Thailand-Laos triangular border region is also called the Golden Triangle, one of the world's major hubs for opium cultivation and heroin refining.

While it was considered one of the potentially most prosperous countries in Asia after independence from the United Kingdom, decades of civil war and ethnic strife, political oppression by successive military governments and their economic misrule have turned the country into one of the Least Developed Countries (LDC) in the world (Smith 2007: 2). After a short and turbulent period of democracy from 1948 to 1962, the country has been ruled by several military governments. The incumbent government is nominally civilian but comprised mostly of former generals that have taken off their uniforms. After a failed attempt of the so-called "Burmese Way to Socialism" between 1962 and 1988 under dictator General Ne Win, Ne Win's successors have slowly introduced reforms to move towards a market-based economy, a process that has been accelerated since 2011. The transformation is still ongoing in 2015.

The image of Myanmar in Europe and North America is a result of superficial news coverage. The topics that are usually covered are limited to democracy icon Aung San Suu Kyi, daughter of independence hero Aung San, her party National League for Democracy (NLD) and her political struggle with the government and the Tatmadaw. Suu Kyi became a magnet for media attention since she received the Peace Nobel Prize in 1991 as well as other prizes related to human rights, freedom of speech and democracy and her popularity has led not only to a skewed image of Myanmar but it also diverts attention from issues other than her and her political agenda. The most pressing issue for the country is arguably the ethnic grievances between the Bamar and the other ethnic groups in the country and the civil war as its direct result. Despite the significance, the ethnic grievances make it rarely into the limited news coverage. Only the outbreak of violence between the Buddhist Rakhine and the Muslim Rohingya in Myanmar's Western Rakhine state (Arakan) in June 2012 has received limited attention but has largely disappeared over the course of the following months. Against this backdrop of limited news coverage and the focus on Aung San Suu Kyi, the recent changes in Myanmar have been misinterpreted and misunderstood. For example do many newspapers in Europe claim that the changes in Myanmar began only in 2011 and that they came as a surprise, although hints and small steps of reform were visible already in the 1990s. Even though the motives of the incumbent government remain

opaque and despite many critical issues remain unsolved, some improvements politically and economically can be observed.

The current quasi-civilian government has initiated a set of political and economic reforms that have sparked positive reactions especially in Europe and North America and that have been described as coming as a surprise. The reforms included the release of Aung San Suu Kyi as well as other political prisoners from house arrest and prison. Since by-elections in 2012, Suu Kyi holds a seat in the lower house of the Myanmar parliament (Pyithu Hluttaw) along with over 40 other members of the NLD. The strict censorship of the media has been eased, although it has not been lifted entirely.

The government has also embarked on a new series of ceasefire talks with the various ethnic armed groups that are still fighting the government, aiming for a nation-wide ceasefire. Despite the positive reaction by European and North American political actors and observers, the motives behind the ceasefire talks remain ambiguous given the military's history of utilizing bilateral ceasefires to prevent the formation of a united front of the ethnic armed groups. Some observers argue that the ceasefires are motivated by the desire to neutralize the military opposition so that the government can focus on the civilian opposition with Aung San Suu Kyi at the helm (Fink 2001: 77). Bertil Lintner posited in e-mail correspondence that exactly these politics of divide and rule are also behind the current ceasefire talks. The ceasefire process, the prime source of interest of this thesis, has therefore to be handled with caution since the motivations behind it remain blurry.

As a result of the reforms the EU and the USA have rolled back all economic sanctions (only the arms embargo imposed remains in tact) imposed on the government after it brutally quelled the '8888 Protests' (commencing on August 8th, 1988). This is not only motivated by opening up new markets with cheap labor but also by Myanmar's major geopolitical importance: it plays a key role in the land-based part of the energy security network of the People's Republic of China (China) through pipelines from the Andaman Sea to the regional capital Kunming of China's landlocked Yunnan province[9] and it is a means of exerting influence in the ASEAN. Counterbalancing China's influence in Myanmar is therefore a relevant objective of both EU and USA.[10]

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9 Myanmar is one of the countries that allows the circumvention of the Straits of Malacca by using pipelines and other means of land-based transportation of oil, gas and other natural resources.

10 Due to sanctions imposed by the EU and USA, China has been Myanmar's only major partner for decades and achieved a dominating position in both politics and economy.

In how far these recent reforms and the ceasefire talks constitute an improvement, especially for the population in the peripheries that remain not only deeply impoverished but also constantly exposed to warfare, oppression, predation taxation, pillage and other expressions of violence, remains to be seen.

4.2. Recent History

The recent history of Myanmar is a history of violence and permanent upheaval. When in 1947 independence hero Aung San (father of the Peace Nobel Laureate, activist and politician Aung San Suu Kyi) negotiated the much hailed 'Panglong Agreement' with some of the ethnic nationalities in the small town of Panglong, the future looked promising. But Aung San's assassination in 1947, the failures of his successors to accommodate the ethnic nationalities and the increasingly nationalistic, chauvinistic and oppressive military governments have pushed the country into an abyss of violence, poverty, discrimination and an accelerating spiral of warfare. A multitude of different ethnic armed groups with political goals like the Karen National Union (KNU) and the Kachin Independence Organization and Army (KIO and KIA), the now defunct but formerly powerful and Beijing-backed Communist Party of Burma (CPB), influential warlords like Khun Sa, Lo Hsing Han, remnants of the defeated Kuomintang (KMT) and a military absorbing at times almost 50 percent of the state budget, have turned Myanmar into a battlefield and divided it into a carpet rug of small zones under control of different actors and they have created plenty of small and detached societies in which violence is not only a frequent phenomenon but rather a commodity and integral part of everyday life. In a country with no external enemies, the Tatmadaw became the most powerful political actor and one of the largest armies in the world.

The Tatmadaw is one of the least transparent actors in the conflict because it is unclear how much control the Thein Sein government exerts over it and because significant parts of their local commanders and their troops, especially those deployed in the ethnic peripheries, are involved in the drug business and other businesses (Ghosh 2013-07-10; Kramer et al. 2014: 35f.). The Tatmadaw has emerged as the most influential actor in the country with a closed ideology of fighting against dissolution of the Union of Myanmar and of being the guarantee of a prosperous future. It is furthermore guided by a form of Buddhist nationalism that understands Myanmar as a Buddhist country, despite its ethnic and religious diversity. Especially after Ne Win's

coup d'état in 1962 the successive governments have embarked on policies of nation-building by creating an all-encompassing, homogeneous nation with the leitmotif "one religion, one language, one ethnicity."[11] (Sakhong 2011: 4). The consequence of this mindset has been discrimination against ethnic nationalities based on their religion and culture in the forms of policies of forced assimilation, banning the teaching of their respective languages and other means of undermining their culture. Intriguingly, this confrontation has not only amplified military resistance against the regime but it has also forged a sense of commonality among ethnic nationalities that had not existed before (Sakhong 2012: 4; 13).

A more accurate description of the Myanmar civil war would be that has been and in parts still is comprised of a myriad of mostly small- and medium-scale civil wars between the military and a multitude of actors taking place in a mountainous jungle environment favoring guerrilla warfare over open army versus army battles. In addition come hostilities between ethnic armed groups as well as competition for influence and control of business and drug networks between warlords, although warlords have largely disappeared from the political landscapes since the 1990s. Over the course of the decades the conflict has changed drastically in terms of actors, power balance and conflict resources. Some actors like the CPB have vanished and broken up into new armies, warlords have either surrendered and retired (Khun Sa) or transformed their drug empires into legal businesses (Lso Hsing Han and his Asia World Company, Myanmar's largest business conglomerate). Other major military players have suffered from significant phlebotomy like the KNU and its Karen National Liberation Army (KNLA) whose defectors have regrouped and formed for example the Democratic Karen Buddhist Army (DKBA), which later allied with the Tatmadaw as Border Guard Forces (BGF). But the KNLA is by far not the only party that has been weakened by breakaway factions. Defections have been one of the prime reasons for the constant reshuffling of the political and military landscape and the alteration of power balance and conflict dynamics. They have created not only a highly atomized set of conflict parties, making it difficult to assess the conflict and its dynamics, but also a volatile conflict situation with little constant elements. This highly complex, heterogeneous and volatile political landscape has evolved over decades and has been described by Mandy Sadan (2009: 154 f.) as:

"A baffling array of both small and large ethnic armies, in almost every

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11 "Buddha-Bata Myanmar Lumyo" or "To be a Myanmar is to be a Buddhist".

> *region of the country, have at some point emerged, grown, declined,*
> *agglomerated, split, negotiated and, in the case of many, recently attempted*
> *this difficult objectives of strategizing within armed ceasefires."*

As the quote shows, th military landscape has fringed over the decades. The CPB alone split into four new actors: United Wa State Army (UWSA), National Democratic Alliance Army (NDAA), Myanmar National Democratic Alliance Army (MNDAA) and New Democratic Army-Kachin (NDA-K).[12] The NDA-K and parts of the MNDAA transformed into BGFs under Tatmadaw command while the larger part of the MNDAA constitutes an ambivalent case (see below). Khun Sa's Mong Tai Army (MTA) has spawned the Shan State Army-South (SSA-S) as well as other defectors.

Among other factors, these splits have affected the balance of power between the conflict parties: the relative power relations have fluctuated. While there were times in the first years after independence when the government controlled little more than the city of Yangon, the government and the military have incrementally increased their territory at the expense of the ethnic armed groups over the decades, today controlling larger parts of the country than ever before. The Tatmadaw is not only much better equipped nowadays but with its over 400,000 soldiers it became one of the largest armies in the world. This development has altered the relative power balance in the conflict dramatically in favor of the Tatmadaw. The military is furthermore deeply involved in the business sector and exerts strong influence in the country's business sector. The Tatmadaw's business operations are intertwined with military expansion and control, a connection that is elaborated on later.

Warlords with similar status and power as Khun Sa and Lo Hsing Han have disappeared from the scene. At times, the private armies of warlords were better equipped than the Tatmadaw soldiers (Lintner 2007-11-01). Throughout the conflict the role of the warlords differed from most other ethnic armies such as the KNLA or the KIA inasmuch as they have sided with the government and the Tatmadaw on multiple occasions against the ethnic armies and have pursued economic and power political goals from the beginning. In the 1960s, the government under Ne Win co-opted Khun Sa, Lo Hsing Han and other warlords into their military operations as commanders of the notorious Ka Kwe Ye (KKY) forces but they gave up their positions quite quickly afterwards.

Lo switched sides repeatedly, joining the rebels in the 1970s until he was

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12 The NDA-K was formally part of KIA but it was affiliated with the CPB for a long time. In 1989, NDA-K was formally formed an an own entity.

arrested in 1973 by the Thai police and extradited to Myanmar (Ghosh 2013-07-10). Later his company engaged in business with the government. The staunch anti-communist Khun Sa, himself of Shan-Chinese origin, remained nonetheless a welcome ally against the CPB as well as against other ethnic armies, even though he publicly maintained the image of fighting for the cause of the Shan. After his defection from the KKY ranks and a brief period in prison, the government made a pact with Khun Sa in 1984 that he would use his troops to fight the insurgents in the difficult jungle terrain in exchange for unhindered business with opium and its derivatives (Lintner 1994: 264). During their KKY times, the warlords had to be self-reliant because the government had no resources to spare for them, hence the allowance to do business however they saw fit. This was due to of the dire financial situation of the government. However, the KKY groups quickly only focused on their opium business and stopped fighting the CPB and hence the KKY program was abandoned in 1975 (Kramer et al. 2014: 30). The KKY commanders started to sell their opium in the border town of Tachilek for pure gold. Hence the region became known as the Golden Triangle (Lintner 2007: 43)

One of the most intriguing aspects of this peripheral warlordism is the relative wealth the opium revenue has created in some towns, for example Khun Sa's old hideout in Homöng. Bertil Lintner has interviewed Khun Sa in 1994 and delivered the following account of relative economic affluence in an impoverished country in which especially the peripheries are plagued by extreme poverty:

> *"Homöng is a bustling town boasting well-stocked shops, Spacious market places, a well laid-out grid of roads with street lights at night. [...] There are schools, a Buddhist monastery, a well equipped hospital with operating theater and X-ray facilities, video halls, karaoke bars, two hotels, a disco and even a small public park complete with pathways, benches and a Chinese-style pavilion. Overseas calls can be placed from two commercially run telephone booths. Local artifacts, historical paintings and photographs are on display in a newly opened cultural museum. A hydroelectric power station is under construction which will replace the old diesel-powered generators currently providing Homöng with electricity."* (Lintner 1994/B120).

Lintner also claims in the same article that, according to American estimates, Khun Sa's enterprise totaled $200 million a year, an impressive figure in a poor country. However, Homöng is by far not the only town booming because of opium revenue. The towns of Panghsang and Mongla, both under control of ceasefire parties, have grown into developed towns with a similar living standards as well (McCartan 2009-11-04).

The two most notorious warlords have changed their lives and occupation in the

later stages of their lives and retreated from the civil war. Lo Hsing Han's Asia World company, led by his son Tun Myint Naing (also known as Steven Law) has established good relations with the government. It has been one of the two companies that built the new national capital Naypyitaw. It is furthermore managing Myanmar's most important port, has been involved in reconstruction after the cyclone 'Nargis' in 2008 and was a major partner in the now-suspended Myitsone dam-project (McCartan 2012-04-27). Khun Sa has not laundered his money into a large company but his children are well established private entrepreneurs, particularly in Mandalay and Tachilek (Lintner 2007-11-01). The smooth process of retiring and laundering money into legitimate businesses supports the assertions that the warlords had contacts up into the highest ranks of government and military.

Various natural resources have come into play in addition to levying taxes: gems, timber, oil, gas and drugs have all fed into the budgets of the conflict parties, exacerbating the conflict between the government and many of its opponents. The exploitation of natural resources prevented any mutual hurting stalemate that could have forced the conflict parties to negotiate peace. The role of of natural resources has varied over the decades and altered the conflict dynamics. After Khun Sa's surrender in 1996, the Tatmadaw took over his drug empire and received direct revenue from the drug trade (Arnold 2005: 150f.). The revenues have prevented state and army collapse and helped bridging the time period until the oil and gas resources in the Andaman Sea could be exploited (Carey 1997: 13). Since then, the drug money has ceased as a major source of financing of the army but local army commanders are reportedly still involved in the drug business, especially because also local Tatmamdaw forces need to be self-reliant (Kramer et al. 2014: 35f.). Some ethnic rebel armies have gained and lost control over natural resources, especially in the case of gemstones. Different rebel groups have utilized different natural resources for sustaining themselves. While the CPB, its main successor UWSA and other groups in the Wa hills and Kokang work with revenues from opium cultivation, the Kachin Independence Army has relied on mining of jade, sapphires and rubies (Lintner 1990: 39). Logging of timber has also been a source of income for several conflict parties, for example the KIA, and it continues to produce major revenues for some, both those who have and who have not agreed a ceasefire with the government (Nyein Nyein 2015-01-06).

In the aftermath of the CPB's demise and disintegration in 1989, the government has significantly extended its influence over the country's territory through ceasefire

agreements with the breakaway factions of the CPB, especially the UWSA, the most powerful ethnic army today and an actor that will play an important role in later stages of this thesis. Despite the territorial gains, the government has never succeeded in exerting control over the entire territory of Myanmar, something it has in common with the former British colonial administration. To this day, large swathes of land remain under control of ethnic armed groups although these "liberated zones" have decreased in number and size since the 1970ies (Petrie and South 2014: 223).

The extension of territory became possible through ceasefires and through what Kevin Woods (2011) has termed *ceasefire capitalism*. The ceasefires included promises of semi-autonomy, the allowance to stay armed, material support and business privileges: mining, logging and large scale opium cultivation (Strategic Studies Committee (Ethnic Nationalities Council) 2008: 14). Although the ceasefire parties formally retain control of their territories, the government and the Tatmadaw have bit by bit extended their sphere of influence at the ceasefire parties' expense. The means by which territory is de facto seized is money. Through a redirection of money into the ceasefire zones, officially for purposes of economic development, and through orchestrated business deals, often with businessmen of Chinese origin, the control of the ethnic armed groups has waned in their own territory. Often the financial investments are accompanied by the deployment of Tatmadaw soldiers which, under the ceasefire deals, co-share authority with the former military opponent in the now-ceasefire territory. The ceasefires therefore enabled the military to enter territories they never managed to access prior to the ceasefires because the military failed to score significant military victories. Or in Woods (2011: 749) succinct words:

> *"However, different territories, and the authority figures that exert control over them, overlap to create conditions where national military and state officials share power with non-state authority figures, such as ceasefire political organizations, insurgent groups and paramilitaries. [...] Burmese state and military officials direct capital flows into resource-rich, non-state uplands as an act of creating effective national state and military authority, sovereignty and territory in practice. In this way a military regime appropriates (trans-) national capital networks to form military–private partnerships to solidify de jure sovereignty into de facto territorial control."*

The incremental acquisition of territory is therefore part of a process of state-building at the expense of ethnic armed groups that fought for autonomy and self-determined government in their highlands (and in earlier times: independence). The ceasefire deals are a double-edged sword, to say the least, and they drive wedges not only between

various ethnic armed groups but also between the ethnic elites negotiating the ceasefires and the populations they claim to represent (Ibid.: 753). The implications of this dilemma will be discussed in detail in later chapters.

It is difficult to make a realistic assessment of where Myanmar stands in 2015 in terms of conflict resolution. The situation is volatile and fighting, mostly small-scale skirmishes, continues in various regions of the country, paralleling the ceasefire talks. A 17-years long ceasefire between the government and the Kachin Independence Army (KIA), one of the major military and political players, collapsed in 2011 after the government broke the truce by attacking KIA forces (Petrie & South 2014: 224). According to the United Nations, over 100,000 people have been internally displaced since 2011[13] (Radio Free Asia (RFA) 2014-11-19). Recent months have seen an increase in fighting with several larger battles taking place in the states of Kachin (North), Kayin and Mon (both Southeast) and Shan (Northeast). Clashes in the Kokang region of Northeastern Shan State in March 2015 between the military and the MNDAA have left more than a 100 soldiers dead (RFA 2015-03-19). The case of he MNDAA is controversial in terms of their ceasefire status. While RFA maintains that KIA and the Ta'ang National Liberation Army (TNLA) are the only non-ceasefire groups among the sixteen major ethnic armies as of March 2015 (RFA 2014-11-20), the Myanmar Peace Monitor[14] lists the MNDAA as a non-ceasefire group together with KIA and TNLA and several minor armies. Whatever the status is, as the aforementioned incidents show, fighting continues despite existing ceasefire agreements.

The conflict continues on several levels in different locations and remains opaque. This brief overview of Myanmar's turbulent recent history should provide the reader with enough information to understand, if not the whole conflict, at least how multifaceted, complex and rapidly changing the Myanmar civil war has been. It is in this environment that opium has become such a convenient and highly profitable resource for some of the conflict parties. Before analyzing the conflict and the ceasefire talks with the spoiler concept, a brief history of opium in Myanmar and Southeast Asia is necessary in order to understand the origin of opium's role as a financial resource, utilized for conflict.

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13 More detailed information can be found at the website of the UN High Commissioner for Refugees (UNHCR): http://www.unhcr.org/pages/49e4877d6.html, last accessed: 2015-03-23.

14 Myanmar Peace Monitor: Armed Ethnic Groups since 2009; Source: http://www.mmpeacemonitor.org/stakeholders/armed-ethnic-groups, last accessed: 2015-03-26.

4.3. A brief History of Opium in Southeast Asia and Myanmar

4.3.1. Opium, Colonial Empires and Asian Capitalism

Opium is deeply rooted in the economic and political history of both Southeast Asia, China and colonial empires in the Far East, especially the British one. The history of opium in Southeast Asia begins in the 7th and 8th centuries when Arab traders introduced opium to China, where it has been used as medicine already a thousand years ago. The earliest records of the use of opium in Southeast Asia date back to Thailand (1366) and Myanmar (1519). However, only in the 19th century did opium spread from Yunnan province to Northern Myanmar, notably to Kokang and the Wa hills. Until the 19th century, opium cultivation and consumption were already indigenous to many cultures in Asia, especially China, but the use remained limited to licit recreational, medical and cultural purposes only. It has therefore neither always been a major source of money in the Golden Triangle nor has it always been illegal, despite being often portrayed so (Lintner 2000: 1; Kramer et al. 2014: 40).

The 19th century marks a turning point in the history of opium when colonial merchants transformed it into a commodity and consumer good taken only for pleasure, resulting in widespread opium (and later heroin) addiction, especially in China. Opium has, just as other plant-based stimulants, played a substantial role in both the rise of colonial empires and the development of modern capitalist structures in Asia. Carl Trocki (1999) has delved deep into the history of opium from 1750 to 1950 and its role in the rise of global capitalism. His fascinating piece illuminates how far-reaching the consequences of colonial trade with opium (and other drugs) have been. He (1999: xii) argues that the rise of Europe and its colonial empires were only possible because of a series of drug trades in the period of 1500-1900. Opium has played a special role inasmuch as it was the first commodity, other than silver, the Europeans could offer China in exchange for its goods (Lintner 2000: 2). The markets in the Far East remained largely impenetrable for European traders until the British started to mass produce and purvey opium. The 19th century opium trade and the Opium Wars between England and China (1839-42; 1856-60) destroyed the social and political structures in China and Southeast Asia and helped to finance the creation of new structures. As a result, most

colonial states in Southeast Asia were maintained by opium revenues and almost all state structures in East and Southeast Asia used opium as a cash cow, way into the 20th century (Trocki 1999: 9). The colonial empires in Southeast Asia and China were therefore not only created by military strength but also by undermining existing structures through trade with addictive consumer goods. Trocki (Ibid.: 59) concludes that the dominance of European empires in the trade of tea, sugar, coffee, tobacco and alcohol was not enough to bring Asia "down to its knees." Opium did because it made the rearrangement of global production forces possible that the other goods could not.

British traders accumulated the starting capital for their businesses through opium trade. British banks, insurance companies and merchant houses rooted in Asian trade (especially in Hong Kong) were founded with opium revenues. A prime example of a company with roots in the opium business is HSBC, the world's second largest banking group (Conne 2010/02, Le Monde diplomatique). The opium became a key factor of commercialization because as a commodity it created other commodities: land, labor, fiscal relations, and state structures (Trocki 1999: 9).

However, not only Europeans used opium revenue to launch their businesses. Merchants in China and Southeast Asia poured opium money into other business branches and in the aftermath of the dissolution of colonial empires, took over the opium trade (Ibid.: 10). The trade of opium and its derivatives heroin and ATS in Myanmar is intimately connected to merchants in China, and to a lesser degree in Thailand, who organize and run the networks. The opium is merely cultivated by farmers in Myanmar and the trade is for the most part in the hands of Chinese merchants who cut in Myanmar-based militias and ethnic armed groups in part of their profits in exchange for protection, collecting the harvest and refining derivatives. Thailand's role in production in the Golden Triangle is relatively limited but it is an important hub for money laundering and the major transit country for heroin from Myanmar and Laos (Arnold 2005: 154) as well as its main consumer market for ATS.

The sheer size of the shadow economy dealing with drugs and money laundering makes it impossible for poor countries like Myanmar or Laos to refuse this boost in capital (Ibid.: 212). The Myanmar government has in the 1990s relied on opium revenues and started initiatives to co-opt the drug money into the legal economy for example by levying a "whitening tax" of initially 40 per cent, then later 25 per cent on repatriated funds and by de facto legalizing the black market exchange rate of 300-350 Kyat per US dollar. As a result, large sums of money flowed into the country from

Singapore, Hong Kong and Bangkok (Lintner 2000: 19) The government also encouraged former insurgents to invest in legitimate businesses.[15] Cooperation with for example the Asia World company shows that there is acceptance for drug-funded businesses among the political elites in Myanmar.

4.3.2. Opium in Myanmar

Opium use has a long history in Myanmar, especially the peripheral highlands. Opium is less addictive than its derivatives and has been used in Myanmar and other countries in Southeast Asia for generations. Its uses include recreation, cultural rituals, medicine and pain relief and is much less stigmatized than for example heroin use and addiction. In the late 19th century opium spread through Yunnan province into the hills of Northeastern Myanmar (as well as to Northern Thailand and French Indochina). The opium cultivation, however, remained a small-scale phenomenon until the post-World War II times (Lintner 2000: 4f.).

The turbulent years after the Second World War saw Aung San's assassination in 1947, Myanmar's independence in 1948 and the communist victory in China in 1949. After Mao Zedong's victory and the proclamation the People's Republic of China, KMT forces fled into Shan state of Myanmar from where they repeatedly tried to invade Yunnan province. After military confrontation with the Myanmar army, KMT forces were driven into Kokang and the Wa hills, the two best areas for growing opium in Shan state (Ibid.: 7). When the KMT and other groups started to get involved in the opium trade to create revenues for military purposes, opium cultivation and drug production skyrocketed. Opium became a conflict resource. Lintner quotes Tuan Shi-wen (Duan Xiwen), a KMT commander who openly proclaimed in 1967:

> *We have to continue to fight the evil of communism and to fight you must have an army, and an army must have guns, and to buy guns you must have money. In these mountains, the only money is opium.*

Lintner (Ibid.: 7) remarks the following about Tuan She-wen's words:

> *This statement prophetically described why so many other armed groups in the Shan States – including the Burmese government's own army and local militia forces – would become involved in the complex politics of the Golden Triangle drug trade.*

This quote, in turn, greatly explains the role of opium as a resource of conflict.

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15 GlobalSecurity.org: Burma Insurgency; Source:
http://www.globalsecurity.org/military/world/war/burma.htm, last accessed: 2015-05-03.

The production of opium has increased dramatically since military actors got involved in the 1950s. Notwithstanding the drastic changes of the conflict scenario and setup, including the collapse of KMT forces and several other armies that used the opium trade to their advantage, opium has remained one of the most important resources to pay for military equipment and to buy political power. Ironically, opium has survived many of the armies that have turned it into a conflict commodity in the first place, including the KMT.

Any data regarding the actual amounts of opium cultivation (in hectares) and production (in either metric tonnes or yield in kilogram per hectare) has to be treated with caution, as the latest TNI report points out.[16] UNODC provides a lot of data but the data is based on satellite images and village surveys and can therefore not be entirely verified. Other researchers also claim that the actual numbers of opium production in both Wa state and entire Myanmar might be exaggerated (Chin 2009: 55). Nobody, however, doubts opium as a widespread, profitable conflict resource. Against this backdrop of consensus on the role of opium, the UNODC data is considered reliable for this thesis.

Today, Myanmar remains the second largest opium producer in the world after Afghanistan. It was the world's largest producer of opium until 1991, peaking in the 1980s, when Afghanistan superseded it primarily due to higher yields per hectare (SEA Opium Survey 2014: 49).[17] The area under cultivation remained higher in Myanmar until 2002. The most recent data by UNODC is from 2014. According to the latest Southeast Asian Opium survey covering Myanmar and Lao PDR, 57,600 hectare are under cultivation in Myanmar, almost triple the amount of 2006 (21,600 hectares) (Ibid.: 11; 13). The recent surge of opium cultivation since 2006 has inspired the title of the 2014 TNI report "Bouncing Back: Relapse in the Golden Triangle" and came after a period of consequent decline since 1997. Opium is cultivated mostly in remote areas to avoid detection and eradication. The government runs an eradication program despite some branches of the military being involved. These programs are limited to physical destruction of crops and have had disastrous economic consequences for poor subsistence farmers in the Myanmar highlands.

89 percent of opium in Myanmar is grown in Shan state of which 44 percent is

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16 TNI remarks that UNODC has a "monopoly of truth" and that its numbers are "guesstimates" (Kramer et al. 2014: 20f.).

17 2014 UNODC data: yield in Myanmar: 11.7 kilograms per hectare, yield in Afghanistan: 28.7 kilograms per hectare (UNODC SEA Opium Survey 2014: 14f.).

grown its South, 30 percent in the East state and 15 percent in North (Ibid.: 52). Kokang and the Wa hills, two areas known for opium cultivation. Shan state remains not only a battleground where the Tatmadaw and ethnic armed groups continue to clash (see recent incidents above), it is also home to myriad different groups that are using opium to generate financial revenue for various purposes. While militias, local Tatmadaw units as well as some ethnic armed groups use it to sustain and enrich themselves, other groups have additional uses. The UWSA, for example, pours large amounts of opium money into state-building and the public sector, for example into building schools, roads, power plants and other infrastructure (Chin 2009: 2). This does not, however, mean that UWSA leaders refrain from enriching themselves with the opium money (Ibid.: 2; 43).

Opium remains the backbone of both the economy in many regions in Shan state and the armed conflict between the Tatmadaw and the remaining ethnic armed groups. But albeit it being used to acquire military equipment and to pay soldiers, it's impact on conflict duration, and therefore the question of spoiling for economic purposes, is not as straightforward and clear as it may seem. The Myanmar civil war does not entail a clear-cut tendency towards extension of conflict for economic reasons. The following chapters will look into the role of those actors who are involved in the drug trade in more detail and shed some light on why opium and its exploitation as a resource have not only prolonged but in some cases also shortened conflict.

5. Analysis and Discussion

The following chapter applies the spoiler concept to the current process of negotiating a Nationwide Ceasefire Agreement (NCA). A few remarks on the difference between the situation in Myanmar and other conflicts are necessary before delving into the analysis. There are significant differences between the conflict at hand and those that were analyzed in the literature.

Unlike the spoiler concepts that have been introduced in earlier chapters, the concept used in this thesis does not include the prominent role of the custodians of peace processes. This is because the NCA negotiations remain a domestic issue and external interference, except limited facilitation efforts by for example the Norwegian government, is not part of the process. The NCA negotiations are not an international forum with external actors backing the conflict parties. External actors such as China and the ASEAN do exert a certain influence on some of the conflict parties but their

influence is limited to encouraging them to reach a peace deal (South 2014: 253). This difference is necessary to mention because the original spoiler concept was conceived from the perspective of the custodians of peace processes. In the following, the perspective of the custodians is omitted and replaced with the perspective of an academic observer and analyst of the conflicts in Myanmar.

The other obvious difference to the conflicts that Stedman and other authors have used to demonstrate their own concepts is that the Myanmar civil war has a myriad amount more actors involved. This makes the conflict more complex than for example the ones in Angola, Mozambique and Cambodia which have featured only two or three parties.

Another aspect of the conflict and the NCA negotiations that needs to be discussed is its ambiguity. Can the ceasefire negotiations be called a peace process? What form of peace does it intend to establish? And does it even intend to establish peace? There are critical voices that see the process as a sham by the government and the Tatmadaw to gain control over new territories (see for example Wood's ceasefire capitalism). They argue that the successive military governments have a track record of using bilateral ceasefires to divide the EAGs and prevent them from forming a united front. This has been practiced in the late 1980ies and early 1990ies when the government entered ceasefire agreements with the breakaway factions of the CPB, such as the UWSA, which included the condition to not side with other EAGs against the government. Furthermore, the government still insists that the remaining EAGs ought to be transformed into BGF under the control of the Tatmadaw.

Whether this is true or not, it does not mean that the outcome of the NCA talks is unable to end the fighting and the internal displacement of villagers. When evaluating the NCA process, it is necessary to be clear about what one expects of the negotiations. Is it genuine, positive peace, a state free of direct and indirect (structural) violence in which all human beings can flourish (Galtung 2000: 11-13)? Then the NCA process will not live up to the expectations. But if the goal is to first and foremost put an end to the physical instances of violence, then the NCA negotiations can be seen as a step on a ladder. Not withstanding the possibility that the government and the Tatmadaw's motives are dishonest, the ceasefires have shown improvements for the civilian population living in some of the ceasefire zones, including easier traveling, less abuse by conflict parties, and the possibility to spend more time on farm fields and to reach markets to sell goods. However, this does not apply to all ceasefire zones: the situation

in remote borderlands has not improved significantly (Petrie and South 2014: 225).

The nationwide ceasefire entails the opportunity to establish a form of negative peace, meaning the absence, or at least significant reduction, of warfare, other physical instances of violence as well as abuse and internal displacement of the civilian population. Hence, the NCA negotiations are in the following understood as a process to establish a certain form of negative peace that puts an end to direct violence. This outcome is compatible with possible dishonest motives of the government and the Tatmadaw.

With the NCA process being defined, the following sections shed light on the NCA negotiations, the different actors participating in the negotiations as well as the opportunity structures that influence the actors and their behavior.

5.1. Analysis of the Conflict and the Nationwide Ceasefire Agreement (NCA)

The Myanmar civil war is characterized by a multitude of different actors with a variety of ethnic, political and economic backgrounds and a volatile political landscape. Although the conflict is divided in several little and midsize civil wars between the Tatmadaw and a variety of EAGs, they will be henceforth subsumed under the label of 'Myanmar civil war' to avoid dissipation and confusion. Thus, the term 'Myanmar civil war' will be used to denote the all-encompassing framework of the conflict along with all the actors involved.

The actors analyzed in the following subsection are the most important ones because they have the capabilities and military prowess to spoil the negotiations or potentially reasons to do so. Furthermore, since the purpose of this thesis is to find out whether actors from the drug business are likely to be spoilers, only those actors will be looked at who are known to be involved in the drug business in the Golden Triangle. Many other actors are rather small and with only limited power and influence. They are only occasionally looked at when deemed necessary.

Before coming to the individual analysis of actors it is imperative to introduce the process of drafting the NCA. The NCA negotiations have started in 2013 and have as of May 2015 included seven rounds of talks. The NCA negotiations include the vast majority of the most important EAGs in the country through the United Nationalities Federal Council (UNFC), a joint organization by different ethnic groups responsible for the oversight of the ceasefire negotiation team (see below). The UNFC has a variety of

members with different statuses. Some of the UNFC members have a bilateral ceasefire agreement with the government, for example the KNU, while others have not (for example the KIA). In addition come several parties who are not members of the UNFC but who officially follow its leadership in the NCA negotiations (for example the Arakan Liberation Party, ALP). Other groups such as the UWSA follow the UNFC's leadership only unofficially while being supportive of its goals.

This united front of a variety of different EAGs shows that the fronts in the conflict have become more pronounced in recent years which marks a change from the past decades of the civil war which saw different EAGs having difficulties to forge a lasting alliance. This unity is still fragile and the current status with only two negotiating actors must not be taken as a solidified and final state. The history of the Myanmar civil war has it that alliances shift and falter rather quickly when the political circumstances change.

The two actors that are involved in the process are the government's Union Peace Working Committee (UPWC) and the Nationwide Ceasefire Coordination Team (NCCT). The NCCT is the negotiation team of the ethnic nationalities and represents the majority of the EAGs (Inkey 2015-04-01). It is headed by Nai Hong Sar of the New Mon State Party (NMSP).

The UPWC represents the government and the Tatmadaw. It is supported by facilitators such as the Myanmar Peace Center which receives generous funding by the European Union (Saw Yan Naing 2014-03-18). Head of the UPWC is minister Aung Min who has been engaged in negotiating a ceasefire with the EAGs for several years by now. An extended list of the members of NCCT and the UNFC can be found in the annex or on the website of the Myanmar Peace Support Initiative (MPSI).[18] [19]

As of May 2015, the NCA has produced some limited results. Against the backdrop of escalating violence and regular clashes between the Tatmadaw and the KIA in Kachin state, the MNDAA in Kokang and the Arakan Army (AA) and Rakhine state, a first draft of the NCA has been agreed between the NCCT and the UPWC at the end of March 2015. The draft was discussed at a meeting at the UWSA headquarter in Panghsang in early May 2015 which resulted in a public proclamation of unity and joint reiterated demands for a federalized Myanmar (RFA 2015-05-07). The details of the

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18 Peace Process Overview: http://www.mmpeacemonitor.org/peace-process/peace-process-overview, last accessed: 2015-04-24.
19 Stakeholders Overview: http://www.mmpeacemonitor.org/stakeholders/stakeholders-overview, last accessed: 2015-04-24.

NCA are yet to be discussed.

The claim for the following subsections is that none of the actors involved in the narcotics trade has, under the current circumstances, reasons to spoil the ceasefire process or its results. On the contrary, ceasefires with the government have proved to be more profitable than continued war which supports Michael Ross' alternative theory that natural resources may also shorten conflict. The only possible alteration of circumstances that is likely to spark spoiling behavior in order to protect the own business would be that the NCA or the government's future agenda includes a serious attempt to radically curb the opium cultivation and thus the highly profitable business attached to it. Martin Smith fully agrees with this line of thought.[20] This means that it is mainly in the hands of future governments whether or not actors implicated in the opium business resort to spoiling. Why the government is unlikely to seriously attempt to curb the narcotics trade is explained later on.

5.2. Analysis of Actors and Structures

> *"Some of these communities have reverted to cultivating opium as a means to survive. Over the years, the drug trade and insurgency politics have become increasingly intertwined. Almost all parties to the conflicts in drug producing regions have in some way been involved in or profited from the drug trade. This is especially the case with government-backed militias in Burma."* (Kramer et al. 2014: 25)

This quote by a recent TNI report highlights greatly the problematic situation in Myanmar's Northern and Northeastern peripheries: virtually every conflict party is involved in one way or another in the business with opium and its derivatives. Only a few groups have stayed out of the trade entirely while especially those groups in the Wa hills, Kokang and other parts of Shan state have relied heavily on opium as a conflict resource. The reason why some groups have managed to avoid opium is that they utilized other sources to generate revenue such as jade, gems and timber. Shan state is, however, scarce in natural resources with opium being the only source of revenue. Especially in Shan state it became very difficult for any of the conflict parties to stay out of the drug trade.[21]

It is necessary, then, to have a closer look at which actors are implicated in the drug trade and which of them have reasons to spoil any ceasefire or peace agreement for

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20 Interview with Martin Smith, April 20th 2015.
21 Interview with Tom Kramer, January 15th 2015.

economic reasons. In the following, the thesis addresses three major groups of actors: the Tatmadaw, some of the ethnic armed groups and the Tatmadaw-backed militias which used to be insurgents but agreed to be put under Tatmadaw control in exchange for unobstructed business opportunities. The militias are reportedly the most involved in the drug trade and have abandoned their political goals entirely for economic ones.[22] [23]

At the same time, the opportunity structures in which these actors operate are addressed and their capabilities to spoil are scrutinized. This means that both the actor and structure variables are combined in the analysis because it is impossible to discuss them separately: whenever the behavior of an actor is under scrutiny, references to its environment are inevitable. The combination of the two variables is a clear difference to other concepts that claim to have looked at either actors or structures. In fact, neither Stedman nor Greenhill and Major ultimately discard structures or actors entirely from their analysis. The decision to analyze the two together should therefore not be understood as a novelty but rather as simply acknowledging the fact that the two should not and cannot be separated if the goal is to fully understand why certain groups resort to spoiling while others do not.

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In order to understand the Tatmadaw as an actor, it is important to recur shortly to the difference between the government and the military: it is unclear how much control the current quasi-civilian government of president Thein Sein exerts over it (Moe 2014: 277). Some observers claim the government has only very little control over the Tatmadaw (Petrie and South 2014: 227). Although their motives and goals overlap in many fields, some observers assert that the gap between the two has widened since former generals started to reform the country. The Tatmadaw is described as being cautious and wary of recent changes in the country and of giving in to too many of the EAGs' demands (Ghosh 2013-07-10; Kramer et al. 2014: 35f.). These opaque differences have to be kept in mind for the coming analysis. In addition, the militias who have agreed ceasefires with the government are controlled by the Tatmadaw and not by the government.[24]

Is the Tatmadaw a potential spoiler? The answer to this question depends on the

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22 Ibid.
23 Interview with Ashley South, January 23rd 2015.
24 Interview with Tom Kramer, January 15th 2015.

perspective that is taken. Two reasons for spoiling behavior are plausible under current circumstances but only one has links to the narcotics trade. The first reason is political and relates to the NCA negotiations and a possible peaceful settlement. The military is undoubtedly an obstacle to peace due to its ideological resistance to the demands of the ethnic nationalities and its refusal to agree to any substantial concessions made by the government to accommodate them. However, the potential to spoil in this case is not because of its implications in the drug business and therefore irrelevant for the research question but it had to be mentioned for the sake of completeness.

The question about the Tatmadaw's spoiling potential with regard to its involvement in the opium business is more complex. To find an answer, it is necessary to look at the position and the locus of the potential spoiler problem and distinguish between the leadership and the rank and file deployed on the local level. The Tatmadaw is participating in the ceasefire talks and spoiling behavior is only likely to occur when its personnel attempts to shape the process in its favor; that is, if the Tatmadaw leadership does not decide to spoil the NCA deal entirely for political and ideological reasons. Possible concessions the Tatmadaw could demand are protection of the businesses of its local commanders and guarantees for their units to stay deployed in ceasefire areas (this demand would have two sides to it: the economic and the political). These demands are rather hypothetical and the question remains whether economic reasons exist why the Tatmadaw would spoil the ceasefire deal.

How, then, does the aspect of locus influence the Tatmadaw's behavior? The leadership and higher ranks are unlikely to spoil the ceasefire process or its results for economic reasons because they are not deeply implicated in the opium business. More interesting is if the rank and file, meaning individual local commanders and units who are reportedly involved in the business (Kramer et al 2014: 35f.)[25], have reasons enough to resort to spoiling behavior. The two main incentives of the local branches to protect their drug business are on the one hand self-enrichment by the leadership. On the other hand, many local Tatmadaw branches must be self-reliant because the central government does not provide them with funding to maintain their operations. Do these factors provide enough reason to resort to spoiling behavior?

Under the current circumstances, the answer is no. Unless the opium cultivation and the lucrative drug business are seriously tackled, no spoiling behavior can be expected by local Tatmadaw commanders (and even if that were to happen it remains

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25 Interview with Ashley South, January 23rd 2015.

questionable if it would provoke serious attempts to bring down the ceasefire process). The NCA does not intend to curb the opium cultivation. On the contrary, given the nature of the already existing bilateral ceasefire agreements, it is more likely that the NCA will include continued unhindered business opportunities for the parties in exchange for laying down weapons and potentially transforming into BGF under Tatmadaw control. Local Tatmadaw units would not be obstructed in their business, either just as they have not been affected by the already existing ceasefires. Ashley South agrees that an end of armed conflict will not affect the drug business in any way and that the NCA does not give any incentives to resort to spoiling.[26]

The Tatmadaw is definitely in the position to spoil from a capabilities perspective but this does not necessarily translate into spoiling behavior. Notwithstanding the current military clashes in the country in which the Tatmadaw is suffering significant losses, the circumstances favor the Tatmadaw inasmuch as it is the strongest military actor in the conflict and as it has expanded the territory it controls at the expense of other conflict parties. The Tatmadaw is today much better equipped than it used to be. This is because the government started to exploit natural resources such as oil and gas in Myanmar's offshore fields.[27] In addition, Martin Smith points out that the ongoing fighting is taking a toll on the smaller conflict parties with limited resources and that it is not easy to maintain armies and logistics.[28]

The Tatmadaw leadership will decide how to act based on the outcomes of the NCA negotiations or where the negotiations seem to lead, respectively. The Tatmadaw is most likely able to beat most EAGs in open warfare but the terrain favors guerrilla wars and the military advantage does not automatically translate into military victories. And since the most significant territorial gains were accomplished through ceasefires, the Tatmadaw is likely to remain committed to the NCA process as long as the chief negotiators do not cross any red lines (for example wide-ranging promises of autonomy) and as long as their local commanders along with their economic interests are protected. This borders, however, again on the political dimension of spoiling behavior. Both Martin Smith and Tom Kramer agree that no spoiling behavior can be currently expected by Tatmadaw units, that is, as long as only the economic perspective is taken into account (political reasons to spoil remain).[29] [30]

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26 Ibid.
27 Interview with Matti Ojanperä, January 16th 2015.
28 Interview with Martin Smith, April 20th 2015.
29 Ibid.
30 Interview with Tom Kramer, January 15th 2015.

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The next step is to discuss whether the NCA negotiations might provoke spoiling behavior by some of the EAGs. Again, the answer is no under the current circumstances.

The largest of the relevant EAGs is the UWSA, one of the CPB's breakaway factions and one of the earliest to enter a ceasefire agreement with the government in 1989. It controls important border regions together with a major share of Shan state's opium cultivation and the lucrative business attached to it. As a result of the 1989 ceasefires, the opium cultivation, the yield and the drug refining skyrocketed to hitherto unknown levels and the UWSA is one of the major actors who made this happen (Lintner 2007: 131). It became the main supplier of ATS for the Thai market (Chin 2009: 4).

The revenues with which the UWSA sustains itself are generated by taxing opium farmers. Large sums of money were poured in the public sector in Wa state, an administrative part of Shan state officially called "Myanmar Shan State No. 2 Special Region." Wa state is still supposed to be independent according to the official UWSA agenda. In terms of capabilities, the UWSA is a powerful actor: it boasts 25,000 soldiers (Kivimäki et al 2010: 7) and has purchased sophisticated military equipment through China, including Man-Portable Air Defense Systems (MANPADS). The Myanmar government is cautious to not shatter the ceasefire agreement with the UWSA as if now, although rumors had it that the government had plans to launch a military offensive against it in late 2014 (Lintner 2014-04-30) but which ultimately did not happen.

The UWSA is a prime example of disproving Greenhill and Major's notion that only capabilities and opportunity structures affect the behavior of a potential spoiler. Despite its military prowess, its economic resources and the weakness of the government and Tatmadaw in 1989, the UWSA concluded a ceasefire agreement instead of continuing to fight. It arguably could have gained much more in terms of territory by making use of its resources and the favorable circumstances. The UWSA perceived a ceasefire as being more profitable than continued warfare and exploited the concessions of the agreement to the fullest. Has this changed in 2015?

Despite occasional disputes about border trade posts and muscle flexing, the ceasefire of 1989 has proven to be stable and has remained intact. The UWSA has

sticked to its policies of autonomy and development of Wa state and maintains friendly relationships with the Chinese (regional) government behind the Myanmar-China border. The UWSA is an unofficial supporter of the NCCT team and thus not directly involved in the NCA negotiations. However, it hosted an EAG summit in its territory in early May 2015 to discuss the preliminary results of the NCA negotiations. The UWSA is a staunch opponent of the transformation into BGF under Tatmadaw control and it remains to be seen what the reaction towards the NCA negotiation results will be. The details of the NCA are still not drafted but the BGF transformation issue is likely to spark plenty of protest among many of the EAGs, including the UWSA. The opposition to the BGF program is, however, of political nature rather than motivated by economic calculations.

More interesting is how the UWSA perceives a ceasefire agreement against the backdrop of their lucrative drug business. Ko-Lin Chin (2009: 43) notes that "the Wa", meaning ordinary people, do not profit from the drug business. Only the Wa leaders, the Wa authorities and the affiliated Chinese businessmen do. The locus of a potential spoiler problem would therefore be the leadership and not the rank and file. But does the leadership have any reasons to spoil the NCA process? The answer is no since the NCA will most likely not address the drug issue, the UWSA is unlikely to engage in spoiling behavior as long as their drug business remains untouched.

Another EAG that needs to be looked at is the MNDAA from Kokang. It is known to be implicated in the drug trade and it has initiated new rounds of fighting with the Tatmadaw in February 2015. It stands to reason that the recent outbreak of violence and the military advances of the MNDAA could be a move to spoil the NCA process. Why would the MNDAA resort to spoiling?

It is currently not recognized by the government as a negotiation partner but it is a member of the NCCT. In early May the MNDAA threatened to resign from the coordination team along with the Ta'ang National Liberation Army (TNLA) and the AA (RFA 2015-05-05; Lun Min Mang 2015-05-07). Mikael Gravers suspects that the MNDAA is afraid to be "squeezed out of business." Their military offenses are attempts to reconquer lost ground and territory.[31] It is questionable whether this military offenses serve a military and political purpose or whether economic considerations are the reason for the new outbreaks of violence. It seems that the renewed fighting is not intended to bring down the NCA as a solution to the conflict but rather to reconquer strategic

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31 Interview with Mikael Gravers, April 16th 2015.

territory that the MNDAA feels was illegitimately taken from them in 2009 during the last clashes with the military.[32] However, the recent talks among the EAGs in Wa state's Panghsang have brought about a unified declaration of the NCCT members that the MNDAA (as well as the TNLA and AA) should be part of the NCA process. The NCCT members jointly urged the government to recognize all three actors as legitimate negotiation partners and to stop the attacks on their forces (RFA 2015-05-07).

From this perspective, the MNDAA's actions could be considered spoiling behavior in order to become part of the process. But although retaking lost territory would certainly entail economic advantages, the prime motivation seems to be political and military. If the the MNDAA's actions are considered spoiling behavior, then this would happen for political reasons but not because it wants to prevent peace from materializing to protect its drug business. It remains unclear, however, if the MNDAA intends to push for a seat in the ceasefire talks with its current actions. In any case, the MNDAA is not resorting to spoiling behavior to protect business interests.

The other groups that are currently fighting the Tatmadaw are not motivated by economic interests, either. On the contrary, the TNLA, the armed wing of the Palaung State Liberation Front (PSLF), is arguably the EAG which is the most opposed to the drug problem, as Martin Smith points out. The TNLA attempts to reduce the drug production and use because the addiction rate has gone up dramatically during the time of its ceasefire with the government. The high addiction rate is gravely affecting the Palaung population in the TNLA's territory.[33] The AA fights for political recognition in Rakhine state and is therefore not spoiling to protect business interests either.

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The militias are the last group that needs to be looked at since most of them are deeply involved in the drug business.[34] [35]

The militias are former enemies of the government and the Tatmadaw that have entered ceasefires and agreed to be put under the control of the Tatmadaw. The concessions granted for these demands of the government included unobstructed business with an open encouragement to engage in any kind of business, since the government would or could not fund the militias with money from its own budget. In

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32 Interview with Martin Smith, April 20th 2015.
33 Ibid.
34 Interview with Tom Kramer, January 15th 2015.
35 Interview with Ashley South, January 23rd 2015.

practice, militias retain control of certain areas where they are allowed to tax the population and any trade passing through their territory. These militias are mostly small and range from 10 to a few hundred soldiers. Unlike most EAGs who remain committed to concrete political goals, the militias are only engaged in business of which they "can live off happily", as Tom Kramer points out.[36] Some of the militias retain an official ethnic agenda but the reasons for them to agree to ceasefires were mostly of economic nature (Strategic Studies Committee (Ethnic Nationalities Council) 2008: 8f.). Examples are the Pansay Militia in Namkham Township, the Manpang Militia in Tangyan Township, and the Ta Moe Nye and the Kaungkha Militias in Kutkai Township (Kramer et al. 2014: 31).

None of these groups is represented in the NCA process and their deep involvement in the drug trade poses the question whether they could be spoilers of the ceasefire process to protect their business. After all, they seem to be the biggest profiteers of the exuberant drug production in the peripheries.

But similar to many of the EAGs who have agreed a ceasefire with the government, the militias have under current circumstances no reason to sabotage the NCA process. The ceasefire agreements provide the militias with generous business opportunities and the NCA process does not undermine this setup in any way. It was exactly the ceasefires that enabled the militias' unhindered drug business in the first place so the NCA will not affect the militias at all. In fact, the narcotics trade will continue with or without a nationwide ceasefire agreement and even under circumstances of genuine peace the business is not threatened.[37] Spoiling behavior in order to shape the ceasefire process is not necessary since the circumstances favor the militias already, probably like no other actor in the conflict. Furthermore, the fact that the militias are not represented in the NCA process gives no incentives to spoil to become a part of the process because the Tatmadaw is involved on their behalf. The Tatmadaw is in control of the militias and it has no interest in altering the environment at the expense of both its own ground forces and the militias involved in the drug business. The question of locus is not relevant either because the militias as a whole profit from the trade and neither the leadership nor the rank and file have reasons to spoil the NCA.

And even if the militias would decide to engage in spoiling behavior for

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36 Interview with Tom Kramer, January 15th 2015.
37 Interview with Martin Smith, April 20th 2015.

whatever reason, they pose no threat to any form of agreement. The militias are neither powerful nor influential enough to constitute a serious threat to either the Tatmadaw or most other EAGs.[38] [39]

Similar to the other actors, the militias do not have any reason to perceive the NCA process or its potential results as a threat to their lucrative business. However, they would be the most likely ones to lose should the drug problems be seriously tackled. Ross' alternative theory is supported also in the case of the militias. The only thing that would affect the militias would be a serious attempt to curb the opium cultivation and the trade with heroin and ATS.

5.3. Discussion: No drug-related Spoilers and the Effect of Opium on the Duration and Intensity of Conflict

It follows, therefore, that the major reason why no spoiling behavior has occurred as of now is that nobody expects the narcotics issue to be seriously tackled in the near future. This is a structure-based argument that should not be misinterpreted as the only factor that explains the behavior of actors.

It may seem surprising that there is a strong reluctance to take actions against the exuberant drug production and trade in Myanmar. After all, it would be an opportunity to limit the resources from the insurgent groups that allows them to maintain their military capabilities and, in the case of the UWSA, even enhances state-building. There are several reasons for this reluctance in which the political and the economic dimensions intertwine: the government is unlikely to address the drug issue because it would risk undermining both the NCA negotiations as well as the already existing ceasefires with groups such as the UWSA. Potentially, it would also affect its relationship with the militias. The government and the Tatmadaw consider these ceasefires more important than combating the drug problem (Lintner 2000: 23). Imperative is therefore to avoid giving any economic incentives to pick up arms against the government and Tatmadaw again rather than tackling the drug problem.

A second reason why the government and the Tatmadaw are unlikely to take action against the drug production in the near future is of economic nature: the revenues generated by the narcotics trade are too vast to be rejected by governments of states with weak economies such as Myanmar or Laos (Arnold 2005: 212). Drug money is the

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38 Interview with Tom Kramer, January 15th 2015.
39 Interview with Matti Ojanperä, January 16th 2015.

backbone of Myanmar's economy and consequently, the government welcomes the cash inflow since it constitutes a significant economic boost in capital. It even encourages actors from the drug business to launder their money into legitimate businesses (see above). Bertil Lintner (2000: 19) estimates that the amount of drug money that poured between 1989 and 2000 into the country was several hundred million dollars, an amount that has most likely increased because of the expansion of the opium cultivation and drug production since 2006 and the increased efforts to encourage the investment of drug money in Myanmar. This is a large amount of money for a country with an estimated gross domestic product (GDP) of 56.8 billion dollars in 2014 (World Bank 2014). The rise of conglomerates such as Asia World through drug revenues is not only a welcome development for the government and the former insurgents that found their way into the legal economy, it also bears a resemblance to the development of the economies of other countries in East and Southeast Asia.

What follows is that the current delicate constellation of actors stands and falls with the massive drug producing complex in Myanmar. Changes of the shadow economic structures will affect the current situation in one way or another. This fact highlights not only how important drugs have become for maintaining military capabilities but also how much narcotics shape the conflict as well as civilian life and society as a whole in some parts of the country, especially Shan state. Opium cultivation and the refining of drugs are today deeply ingrained in the structural setup of Myanmar's peripheral societies and any alteration will have impacts on the relationship of conflict actors and various segments of society. Eradication of opium fields and opium bans in some parts of the country have, for example, wreaked havoc among the vulnerable civilian population in Myanmar's peripheries. Ceasefire deals that have brought about at least limited forms of negative peace and relief to civilians in some areas are likely to collapse when faced with serious efforts to tackle the drug problem because they were built on the promises of relentless accumulation of wealth through lucrative trade with opium and its derivatives. As long as the drug production remains untouched, those actors who profit from it have no reason to spoil the national ceasefire agreement or to break already existing ceasefires.

Since there seem to be no spoilers in sight whose reason to spoil would be the protection of their business from peace or at least a ceasefire, it can be concluded that drugs in the case of Myanmar are not fully in line with the common notion that natural resources prolong and intensify violent conflict. Drugs in Myanmar are, however, not a

clear argument for the opposite theory, either. As a resource, drugs have played two roles for violent conflict in different stages of the conflict. They are not the cause for the onset of conflict but historically they have both prolonged and shortened conflict. The KMT and CPB, for example, have utilized opium to maintain and enhance their military capabilities and thus improved their position vis-à-vis other actors, especially the government and its army. In these parts of the Myanmar civil war, drugs have functioned as an amplifier and prolonged violent conflict. Conversely, the armies formed out of the CPB have agreed to ceasefires with the government in exchange for unobstructed exploitation of opium to amass wealth. Despite the fact that the drug revenue has been used to improve the military capabilities, war did not occur between for example the UWSA and the Tatmadaw. The promise of limitless exploitation of opium has therefore shortened conflict between the government side and some of the EAGs. This has been even more pronounced in the case of the militias because they agreed to be put under the Tatmadaw's command and abandoned any political goals.

Opium as a resource is therefore connected to both prolongation and shortening of violent conflict in Myanmar, although its role differs in different stages of the conflict. In the early decades since independence, opium has prolonged and exacerbated the conflict by enabling the opponents of the government to improve their military prowess, at times even made some of the opposition armies superior to the Tatmadaw. In later stages, especially since the CPB's downfall in 1989, opium has shortened violent conflict between the government side and some of its opponents, namely those who perceived a ceasefire as being more profitable than continued warfare. In the post-1989 conflict environment, spoiling to prevent peace is unnecessary because even a comprehensive peace deal would not threaten the lucrative drug business. This, however, does not mean that future conflict between current ceasefire parties can be ruled out. As has been mentioned earlier, serious attempts to curb the opium cultivation and the trade with drugs may lead to renewed outbreaks of violence and a collapse of existing ceasefires. The shadow economic structures in which the drug trade is embedded cannot be changed without upsetting actors and the only chance to prevent Myanmar from descending into even deeper levels of violence might be the slow transformation of shadow economic structures and the co-opting of drug entrepreneurs into legal businesses, even though that might violate normative standards predominant in contemporary development politics.

6. Reflection: The Spoiler Concept

The last thing to do is to discuss the merit of the spoiler concept in the context of this thesis and to reflect on the concept and on its normative underpinnings. Both are equally important but especially the second relevant to answer the theoretical research question posed in an earlier chapters.

6.1. The Spoiler Concept and the Myanmar Civil War

Undoubtedly, the decision to limit the thesis to natural resources had far-reaching consequences for the design of this study and the choice of narcotics as a conflict resource, and not for example jade or timber, has delimited the scope of the thesis even further. The decision to focus on narcotics was influenced by the belief that a lack of delimitation would have exceeded the length of a Master's thesis. Looking at the Myanmar civil war through the lens of the spoiler concept as a whole would have been in retrospect, however, a viable option, too.

   While working on this thesis, it became apparent that currently no actor is likely to spoil to protect its drug trading activities but that does not mean that there are no spoilers in the conflict at all. Only the claim that the ceasefire process is threatened because some actors perceive it as detrimental to their businesses could be falsified but plenty of political incentives to spoil it remain. And the very same actors that do not have reasons to spoil because of the aforementioned reasons may still become spoilers for political reasons. In fact, spoilers are part of the conflict and they are one of the reasons why the conflict has outlasted other conflicts that have started at the same time.[40]

   It was difficult to adequately describe this dichotomy because the thesis' research design excluded the political option. Applying the spoiler concept to the conflict as a whole would have made it less difficult to navigate through the complex nexus of political, economic and ideological structures and frames that make the conflict what it is. A more inclusive approach would have had the leeway to look at the political and ideological aspects as well and conclude in a more adequate manner that a specific conflict party may be unlikely to spoil the ceasefire process for economic reasons but

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40 Interview with Martin Smith, April 20th 2015.

that this same party may have plenty of political reasons to attempt to undermine it.

This relates to the core of the Myanmar civil war: it is still primarily a political conflict and the economic dimension is only one of its many aspects. This thesis looked at the economic aspect because it was and still is assumed that violent conflict opens up opportunities to make some form of profit from the conflict and that the economic aspect cannot be neglected when the goal is to understand the conflict in its entirety. Against this backdrop, the results of the study are deemed relevant and this critical reflection should not be interpreted as a relativization the study results or the study as a whole. But it should never be forgotten that the conflict is political in nature and that it should not be reduced to being only about resources and business opportunities. Or, as Bertil Litner (2015-05-05) puts it: the conflict is in danger of being depoliticized by foreign observers and members of what he labels the "peace-industrial complex" who, along with the international audience, long for an end of this long-lasting conflict. Martin Smith echoes these concerns about the pressure and desire by the international audience to finally see development and warns that this pressure might not only have disastrous consequences for the process but also risks supporting the incumbent regime and its position at the expense of the ethnic nationalities.[41]

The application of the spoiler concept has produced an interesting result: despite plenty opportunities to make material profit and to draw political power from the exuberant opium cultivation and despite opium having a conflict prolonging effect in some stages of the conflict, none of those who profit from the business seems to perceive a ceasefire or even proper peace as a threat. On the contrary, the Myanmar civil war demonstrates probably like no other conflict the extent and society-shaping impacts that shadow economic activities can reach. It also provides ample empirical evidence that such activities, and especially the drug trade, can coexist with negative peace. As cases such as the militias or the UWSA show, negative peace can be perceived as more desirable than continued warfare if the alternatives are profitable enough. In the case of the UWSA, the advantages of negative peace can outweigh the decision to make military advances even under the very favorable circumstances of 1989.

In the light of the study results the spoiler concept was a good choice that produced satisfactory results but the scope of the study could have been wider as has been said before. The concept proved to be a functioning framework to analyze peace processes of different kinds of forms, ceasefire talks that establish negative peace

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41 Ibid.

included. In this context, not only the concept and its application to conflict is interesting but also the process of synthesizing a functioning concept out of the different approaches that can be found in the literature. The way the concept has evolved since Stedman first published his article is a prime example of evolutionary social science research which is admittedly theoretical but also oriented very closely towards peace process realities. Although the perspective might be different, reflected in the actor vs. structure debate, the different concepts discuss real cases of peace processes such as the ones in Mozambique or Cambodia. Theorizing the spoiler concept was therefore done against the backdrop of real life events and empirical data and not hypothetical scenarios. The concept fits well into the many practice-oriented branches of peace research because of its inherent proximity to real peace processes.

The challenge in this thesis was to synthesize out of the literature an own concept that covers the essential aspects that are needed to make it work in the context of the Myanmar civil war, a highly complex conflict largely neglected by academic research and politics outside East and Southeast Asia. The decision to include both actors and structures into the concept was based on the proposition of Nilsson and Söderberg Kovacs' article from 2011. While drafting the concept and applying it to the conflict it became clear that the debate about whether actors or structures play a more important role in determining behavior is not only unnecessary but also counterproductive. In reality, actors are affected by opportunity structures but they may also defy them and make decisions that are not in line with rational cost and risk analyses. After all, the human being is able to behave both rational and irrational. Claiming that it is either individuals or structures that determine behavior prevents a proper analysis and understanding of conflicts and the behavior of conflict parties.

Notwithstanding the fact that the study concluded that spoilers might emerge if the circumstances (meaning structures) change, it should not be forgotten that the behavior in light of such a change will be always also affected by other factors such as individual character´of the leadership. While some actors might resort to spoiling when faced with serious attempts to curb the drug production, others might decide that it is not worth it, even though the opportunity structures allow them to successfully throw Myanmar's peripheries back into violent conflict. This analysis, however, is a challenge for another piece of work, should spoilers emerge.

The conclusion from these reflections is that the spoiler concept the way it is theorized right now offers a proper method to analyze conflict with, as long as it

acknowledges the importance of both individual behavior and structures that may affect behavior. This does not, however, mean that the concept is without flaws or not problematic. Especially the aforementioned normative underpinnings that have been criticized in the literature by some scholars pose challenges to the concept.

6.2. The normative Foundation and Subjectivity of Behavior

The normative foundation of the spoiler concept has now been mentioned several times and it is time to discuss it as the final part of this thesis. The concept has been used in this thesis despite the critique that it is a normative concept which only works in connection with the liberal peacebuilding paradigm. There are two reasons why the concept was applied in this thesis without considering this factor. The first is that this thesis is primarily concerned with the Myanmar civil war. The concept has been used because it was assumed that it is likely to produce meaningful and tangible results despite its objectionable characteristics. The second reason is that as of now, nobody has proposed another version of the concept which is not tied to the liberal peacebuilding paradigm. The author of this thesis was not of the opinion that he could single-handedly revolutionize the concept and hence an existing form but modified version of the concept was used.

This final subchapter is meant to reflect on the concept, its advantages and disadvantages and to address some of the possible gaps and shortcomings that arise from the concept's current theoretical foundation. In the best case, some useful bits might contribute to the refinement of the concept.

Before delving deeper into the matter, it might be helpful to recap shortly the major critique of the concept. Nilsson and Söderberg Kovacs (2010: 609) sum the critique up by stating:

> *"It has even been suggested that the concept derives its definition, and gains its meaning, only in relation to the core assumptions of the so-called liberal peacebuilding paradigm [...]. Consequently, actors that behave according to the expectations of this normative framework will be considered to raise fair and legitimate demands, whereas those that disagree will per definition be viewed as spoilers, which in turn determines how the key peace custodians respond to various actors in the peace process."*

The quote highlights the interconnection of the predominant paradigm and the factor that subjectivity plays in the perception of behavior. What the authors do not address and what should be added is that the problem of subjectivity is not limited to the

theoretical foundation of the concept but that it is reflected already in the name of its main object of study: the word 'spoiler' is a judgmental and evaluative term that predisposes the analysis to possible flaws because the label that an actor receives will inevitably frame the way the user of the concept looks at the actor and its demands. Approaching a peace process with the spoiler concept might also have the negative side effect that the user *wants* to find a spoiler because the concept posits and presupposes that spoilers are a natural part of every peace process.

While it is undoubtedly true that some actors are likely to try to sabotage or shape a peace process, the ways in which the different spoiler concepts have been used risk labeling more actors spoilers as probably deserve it. Any demands that deviate from what is generally perceived acceptable are considered spoiling behavior, even if the actor who raises them is genuinely interested in a peaceful settlement but feels that its interests are not considered. Within the framework, the standard response to deviating behavior is to put the label 'spoiler' on an actor which puts it into a political and semantic predicament.

This label is difficult to cast off, even if the demands raised are not unreasonably high or even if there is no threat of force involved in case the demands are not considered. A spoiler is a spoiler in the current framework if it is not playing by certain rules. The actor which is identified as a spoiler, however, might have not agreed to these rules and the peace process that is looked at might work according to a different logic than the liberal understanding of peace which includes certain crucial characteristics such as democracy and rule of law. The concept should, under any circumstances, acknowledge that every peace process works according to different values, traditions and is embedded in different cultural contexts which all might deviate from Western understandings of peace and peace processes. This criticism of top-down approaches and assumed universality of Western values has also been voiced in general discussion about contemporary peacebuilding strategies (see for example Barnett et al. 2011: 36).

A quick fix or panacea to these problems cannot be offered in this thesis. It is neither the time nor the place to offer an elaborated concept of peace processes that is free from the implications of liberal peacebuilding and it is questionable whether such a concept is even feasible. Instead, small ideas are outlined which should be considered when peace processes are analyzed.

The first thing that should be reconsidered is the name of the object of study. The term 'spoiler' and its semantic implications might be a bigger problem than that the

concept depends on the liberal peacebuilding paradigm. The term 'spoiler' should not be abandoned but the concept should offer a more nuanced view on actors instead of classifying anybody who raises controversial demands as a spoiler. Spoilers should be those actors that undeniably try to sabotage a peace process for reasons such as economic profit by violent means. This means that only those should be considered as spoilers who display behavior that clearly favors war over peace. An actor that does not use force when its demands are not met but that still risks to bring down a peace process because the other conflict parties threaten to leave the negotiation table should not be called a spoiler. Such actors might have been not part of processes in Mozambique or Cambodia but the Myanmar case clearly has some smaller and larger actors involved that would clearly favor peace over war and that would resort only to fighting when threatened by the Tatmadaw or other conflict parties (an example would be the KNU).

What could be an alternative to the current name? Greenhill and Major have termed their model a 'capabilities-based model' which is an improvement but they still use a very broad concept of what spoiling behavior is and reduce the reason for spoiling to cost and risk analyses. An alternative would be to widen the scope and draft a name along the lines of 'peace process analysis model' or 'peace process and obstacle analysis.' Why should the scope be widened? Because in any case, all models focus on the peace process as a whole and stress that spoilers are merely a part of peace processes. It is questionable whether a single part should be eponymous for the concept. These proposed names are undoubtedly improvable but treating spoilers as what they are semantically, only a part of larger process, in connection with a more careful use of the word spoiler might take away a small part of the problematic aspects of the concept.

Such a change would not free the concept of claims that the liberal peacebuilding paradigm is the deciding factor. It might be difficult (or impossible) to re-theorize the concept as long as contemporary peacebuilding strategies remain what they are. As the approaches to peacebuilding evolve and as the understanding of peace changes, the ways peace processes are planned, conducted and analyzed will change, too. Even if the nature of peace processes changes, spoilers are likely to remain a part of peace processes indeed, at least in the most conflict-ridden and militarized cases. But a more careful, nuanced use of the word spoiler in connection with acknowledging that peace talks must adapt to the cultural context of the conflict could be a small step in the right direction. When contemporary peacebuilding strategies become more flexible and case-dependent, the current understanding of spoilers is likely to change along with

them.

      This process is nothing hypothetical or a mere wish for the future. On the contrary, the changes are happening slowly and incrementally already. With new countries and regions assuming more global prominence and influence, the hegemony of liberal, Western values is likely to decline in the future. And this will not be a negative development because contemporary understandings of peace, freedom and human and state interaction will not be replaced but rather enriched and improved with values of other cultures. Western values, concepts and traditions will merge with the ones of other cultures and create new ways of handling and mitigating conflict. An all-encompassing, universal concept applied to conflicts in different cultural contexts is not feasible and bound to fail. Future ways of looking at conflicts and peace will hopefully be more inclusive, situation- and culture-dependent, less hegemonic and perceived as more legitimate by those who are affected by them.

7. Conclusion

The thesis at hand pursued the question whether or not Myanmar's nationwide ceasefire process is threatened by actors who perceive it as a threat to their narcotics trade activities. The analysis was conducted by using the spoiler concept which aims at analyzing peace processes with special emphasis being paid to actors who perceive peace as a threat to their interest or worldview. The analysis is embedded into a theoretical framework of the role of natural resources in civil wars and shadow and war economies.

      New questions for future research spawned by the findings of the thesis clearly point into the direction of other natural resources such as gems and timber and the environmental consequences of large-scale mining and logging activities. And on a more general level, the connection between conflict and the environment should be explored more in the future and connected to classic peace and conflict research theories revolving around the concepts of structural violence and positive peace. The importance of an intact environment for the well-being of humans and animals alike is evident and should move further into the center of attention of future studies that deal with any case, not only Myanmar or gems and timber.

      The analysis has resulted in the observation that the country's nationwide ceasefire process is not threatened by actors who are implicated in the trade with

narcotics such as opium, heroin and amphetamine-style stimulants (ATS). This is because the current circumstances and the existing ceasefires favor the trade instead of curbing it. None of those who profit from the trade with narcotics have to perceive the ceasefire process as a threat to their business. On the contrary, ceasefires, understood in this thesis as a form of negative peace, have proved to be more profitable for the ceasefire groups than continued violent conflict. The reasons for this lie in the nature of the already existing ceasefires which allow undisturbed business opportunities in exchange for not fighting the government and Myanmar's military, the Tatmadaw. The nationwide ceasefire that is currently negotiated is unlikely to be different than the already existing ceasefires and thus, the drug trade is likely to continue. Drugs as a natural resource have since 1989 *shortened* violent conflict, not prolonged it. This is in line with Ross' (2004) alternative theory that natural resources are not only able to prolong conflicts but also to shorten it if the circumstances allow it. Clearly, many groups that were fighting the successive Myanmar governments have agreed to ceasefires in order to exploit opium and its derivatives undisturbed. Before 1989, opium has both intensified and prolonged conflict because rebel forces could purchase better military equipment and recruit more soldiers with its revenues. Opium was, however, not a reason for the civil war and is therefore not connected to the onset of conflict.

The main reason why spoiling in order to protect the own drug business is unlikely in the foreseeable future is that the incumbent government has no interest in seriously curbing the opium cultivation in Myanmar. This is because such a move would undermine the existing ceasefires which the government and the Tatmadaw consider extremely important. The government furthermore welcomes the drug money since it constitutes a significant boost to Myanmar's economy. It even actively encourages drug entrepreneurs to launder their money into the legal economy. This resembles the development process of the economies of other countries in East and Southeast Asia such as Hong Kong and China in which opium has served as a means to accumulate starting capital before venturing into other business sectors.

Despite there being currently no reasons to spoil the nationwide ceasefire process for reasons related to the drug business, there are plenty of political reasons on different sides to prevent the ceasefire from materializing. These political reasons were, however, not the topic of the thesis and thus not further explored. The focus on opium as a conflict resource has also blanked out the role that other natural resources have played and still played in the Myanmar civil war. Resources such as jade, timber and gemstones

have been used to finance insurgencies and exploring the way they affect intensity and duration of conflict are certainly an interesting topic for another thesis or for future research. Other theoretical frameworks might be more useful for that purpose than the spoiler concept.

In retrospect it became clear that it would have been more practical to look at the ceasefire process as a whole instead of picking only the aspect of the drug business. But this must not be understood as a relativization of the study or its findings since the spoiler concept worked well in the context it was applied and produced tangible results.

The concept is, however, not without flaws. The alleged criticism that the spoiler concept works only in connection with the liberal peacebuilding paradigm echoes the general criticism aimed at peacebuilding and its liberal foundation. This thesis attempted in the closing remarks about the spoiler concept to offer small improvements such as renaming the concept to take away a portion of the inherent subjective judgment and evaluation of behavior. This, however, cannot solve the general criticism the concept is subjected to. It is unlikely that the spoiler concept can be re-theorized without the liberal peacebuilding foundation and without fundamentally changing the concept.

The final part of the discussion of the concept, then, suggests that the spoiler concept will most likely change along with the readjustment of international politics in the wake of the rise of new influential actors such as the famous BRICSs-bloc, the rise of Southest Asia and of parts of Latin America and Africa. As predominant liberal values merge and mingle with values from other cultures, the way peace processes are understood, looked at, analyzed, constructed and conducted will change and so will the concepts aimed at analyzing those actors that try to undermine them.

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Annex

Nationwide Ceasefire Coordination Team (NCCT) member organizations:

1. Arakan Liberation Party
2. Arakan National Council
3. Arakan Army
4. Chin National Front
5. Democratic Karen Benevolent Army
6. Karenni National Progressive Party
7. Chairman, Karen National Union
8. KNU/KNLA Peace Council
9. Lahu Democratic Union
10. Myanmar National Democratic Alliance Army
11. New Mon State Party
12. Pa-Oh National Liberation Organization
13. Palaung State Liberation Front
14. Shan State Progress Party
15. Wa National Organiztion
16. Kachin Independence Organization

United Nartionalities Federal Council (UNFC) member organizations:

1. Kachin Independence Organization (KIO)
2. New Mon State Party (NMSP)
3. Shan State Army-North (SSPP /SSA)
4. Karen National Union (KNU)
5. Karenni National Progressive Party (KNPP)
6. Chin National Front (CNF)
7. Lahu Democratic Union (LDU)
8. Arakan National Council (ANC)
9. Pa-o National Liberational Organization (PNLO)
10. Ta-ang National Liberation Army (TNLA) aka Palaung State Liberation Front (PSLF)
11. Wa National Organization (WNO)

(previous member Kachin National Organization has merged with the KIO)

Non-UNFC

Organizations that follow the UNFC's leadership:

1. Arakan Liberation Party (ALP) aka Rakhine State liberation Party
2. Democratic Karen Buddist Army- Brigade 5 (DKBA-5) [follows KNU's political leadership]
3. KPC, KNU/KNLA Peace Council
4. Kayan New Land Party KNLP

Organizations that unofficially follow the UNFC principles and plan:

1. United Wa State Arm (UWSA)
2. National Democratic Alliance Army (NDAA)
3. Shan State Army-South (SSA-S)
4. Arakan Army (AA)
5. All Burma Student's Democratic Front (ABSDF)
6. Mergui-Tavoy United Front (MTUF)