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Brokered Rule: Militias, Drugs, and Borderland Governance in the Myanmar-China Borderlands

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ABSTRACT

This article develops the concept of brokerage to analyse the systems of borderland governance that have underpinned processes of state formation and capitalist development in the conflict-affected Myanmar-China borderland region of northern Shan State since the late 1980s. It focuses on the brokerage arrangements that have developed between the Myanmar Army and local militias, and how the illegal drug trade has become integral to these systems of brokered rule. This article draws particular attention to the inherent tensions and contradictions surrounding brokerage. In the short term, deploying militias as borderland brokers has provided an expedient mechanism through which the Myanmar Army has sought to extend and embed state authority, and has also provided the stability and coercive muscle needed to attract capital, expand trade, and intensify resource extraction. However, at the same time, militias have sought to use their position as brokers to aggrandise their own power and counter the extension of central state control. In the longer term, brokerage arrangements have thus had the effect of reinvigorating systems of strongman borderland governance, further fragmenting the means of violence and the proliferation of drugs and disempowering non-militarised forms of political negotiation.

KEY WORDS

Brokerage; territory; frontiers; Shan State; illicit economies; state-building

This article analyses the systems of borderland governance that have underpinned processes of state formation and capitalist development in the conflict-affected Myanmar-China borderland region of northern Shan State – shown in [Figure 1](#) – since the late 1980s. It focuses particularly on how the illegal drug trade has become integral to the informal brokerage arrangements that have emerged since the 1990s between Myanmar's military-state and local strongmen in northern Shan State, many of whom went on to lead Army-backed militias.

Myanmar Army-sanctioned militias have a long history in Shan State (Buchanan 2016, 6–23; Meehan 2016a, 264–275; Maung Aung Myoe 2009, 29–31). It is important to emphasise from the outset that in the context of Myanmar's armed conflict the term

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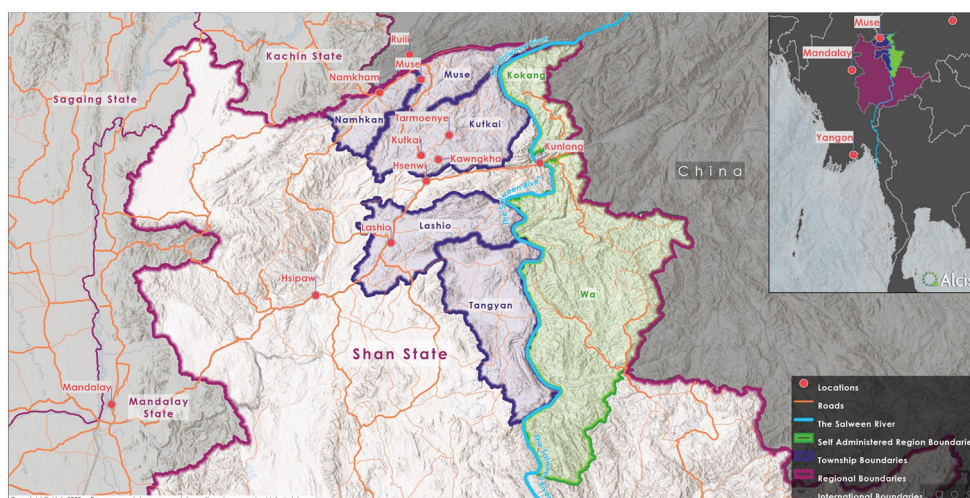


Figure 1. Northern Shan state

Source: This map has been produced by Alcis and is used with permission.

militia refers specifically to paramilitary-style organisations operating with the consent of the Myanmar Army and are distinguishable in their origins and relationship to the Myanmar state from the wide array of ethnic armed organisations (EAOs) also operating across Shan State. Whereas EAOs were formed autonomously from the state and continue to pursue independent political goals, militias are sanctioned by – and are expected to operate under the oversight of – the Myanmar Army. By the mid-2010s, estimates placed the number of Army-sanctioned militias active across Myanmar in the thousands, with a heavy concentration in Shan State (Buchanan 2016, 29). Militias demonstrate significant variation in terms of their background, size, firepower, autonomy, and their position within borderland networks and hierarchies of power. The vast majority constitute small village defence forces. However, there are a significant number – in the region of 50–100 – of more powerful militias currently active across Shan State (Buchanan 2016, v–vi, 17; Meehan 2015, 273; Meehan 2016a, 270–273). Some of these militias can call upon many hundreds of reserves equipped with weapons supplied by the army or, more often, purchased themselves. They have extensive licit and illicit business enterprises, and are led by local elites who wield significant influence locally, nationally, and transnationally. This article focuses on how these larger militias have played an important and often overlooked role in shaping the local systems of rule that have coalesced around a governmental agenda aimed at transforming the Myanmar-China borderlands by extending the reach of the central state, attracting capital, and integrating the region into global markets.

For the Myanmar government, Northern Shan State has long been what Cons (2019) refers to as a “sensitive space.” Like much of the country’s borderlands it is a region where state sovereignty has been violently contested by an array of armed organisations. These contests embody unresolved tensions and anxieties over power-sharing, national identity, and legitimate political authority that lie at the heart of state formation in Myanmar. After decades of violent armed conflict, northern Shan State experienced a period of fragile stability through the 1990s and 2000s following a series of ceasefires between the Myanmar Army and various EAOs. The ceasefire initiative was inspired partly by the Myanmar government’s efforts to open the country’s borderlands for trade and resource extraction. This reflected a broader trend across Southeast Asia to turn

“battlefields into markets” in which borderland regions were increasingly “reimagined as resource-rich, unexploited wastelands targeted for large-scale development schemes for economic integration and control” (Eilenberg 2014, 157; see also, for example: Barney 2009, 149–152; Pinkaew 2012, 463–467; Taylor 2016;). In northern Shan State, the cease-fires paved the way for a vast expansion in logging, mining, and agribusiness development, and were accompanied by a sustained build-up of Myanmar Army personnel and barracks (Woods 2011; Lambrecht 2004). The legalisation of cross-border trade with China and the launch of numerous regional development strategies aimed at strengthening economic integration between China and Southeast Asia made northern Shan State increasingly central to the ambitions of political and business elites across the region considering its position as the main land corridor linking China to central Myanmar.

These efforts to consolidate state control and expand markets have been mapped onto longstanding histories of unresolved armed conflict, fragmented sovereignty, and a political economy strongly influenced by the illicit drug trade. Alongside longstanding opium and heroin production, northern Shan State has become the epicentre of Southeast Asia’s methamphetamine pill boom since the late 1990s and increasing volumes of crystal meth production have been reported in recent years (ICG 2019, 6–11). Although the guns fell silent in many areas under the ceasefires, government promises of political dialogue never materialised. By the mid-2000s it became increasingly clear that the military government’s strategy was focused on making ethnic armed organisations compliant with its own political roadmap, rather than addressing the root causes of the country’s armed conflict. The inherent tensions within this strategy were laid bare by the collapse of numerous ceasefire agreements after 2009 and outbreaks of some of the worst armed violence across northern Shan State and Kachin State for more than twenty-five years. Renewed armed conflict derailed the country’s formal peace process and has disrupted cross-border trade and regional development plans.

Since the late 1980s, competition for control over territory, resources, and trade in northern Shan State has become central to shaping Myanmar’s national politics and economy as well as processes of regional economic integration. Thus, although geographically marginal when viewed from the country’s commercial and political centres of Yangon and Naypyidaw, northern Shan State provides a privileged vantage point for analysing contemporary processes of state formation and economic development.

This article aims to contribute in two ways to the growing body of literature that has analysed the political and economic transformations shaping Southeast Asian borderlands. First, it develops the concept of brokerage as a way of theorising how power is negotiated in highly contested and fragmented borderlands. The article explores the challenges of integrating states and markets into such spaces. It focuses on how these challenges inspire distinct forms of experimentation and innovation in systems of borderland governance, which are reliant upon intermediation and bargaining with pre-existing structures of authority rather than the direct extension of centralised state control. This creates privileged spaces for those individuals or organisations that are able to broker between encroaching state and market forces and existing borderland power structures. Indeed, the opportunities to derive power from brokerage are typically enhanced by the expansion of markets and state institutions into contested borderlands since there is greater urgency and impetus for overcoming the friction created by the array of social and political boundaries in these regions, and to lubricate the flow of power, commodities, and capital. Brokerage is thus key to understanding how states and markets function. Second, the article reveals how analysis of brokerage arrangements provides new insights into the ways in which violence and illegal drug economies become embedded in the construction of

new patterns of authority and systems of rule, rather than necessarily being indicative of disorder, state fragility, and marginalisation.

The article proceeds to a theoretical conceptualisation of brokerage, set out in the following section, which is then explored empirically through analysis of how Army-backed militias have become key brokers in northern Shan State since the late 1980s. This is followed by a discussion of how the illicit drug trade has become embedded in the brokerage arrangements between the Myanmar Army and local militias. A brief case study then explores the rise and fall of one of northern Shan State's most powerful militias – the Kawngkha militia – to demonstrate the inherent tensions and volatility that surround brokerage arrangements.

The analysis presented in this study draws upon an extensive set of interviews conducted by both authors, with current and former militia leaders, rank-and-file militia members, government officials, representatives of armed groups, local research organisations, and people living in areas where militias are active. These interviews were conducted between 2012 and 2019 across Lashio, Hsipaw, Kutkai, Namkham and Muse townships.¹ The article draws particularly on a series of interviews conducted by the second author in Muse and Kutkai townships with senior militia figures at a time when the Kawngkha militia retained a good relationship with the Myanmar Army and these figures believed they had the autonomy to speak freely. The subsequent Army crackdown on the Kawngkha militia in 2020 – documented below – has meant the window for interviewing senior members of the militia has closed. These interviews were made feasible by working through trusted interlocutors in northern Shan State. These interlocutors not only played an important role in building a foundation of trust for interviews, but also connected the second author to retired militia figures who were willing to share their life stories. These personal histories charted the tumultuous politics of northern Shan State and included figures who had played an instrumental role in negotiations between various militias, the Myanmar Army (including Military Intelligence), and ethnic armed organisations throughout the 1990s and 2000s.

Governing Frontier Spaces: Brokerage, Violence, and Illegal Economies

Northern Shan State represents a distinct type of social space. It is a region where resource frontiers, key trade routes, and strategic, sensitive national borders intersect in a context with a long history of insurrection, weak central government control, well-established systems of non-state public authority and service provision, and ethnic and linguistic diversity. Frontiers like northern Shan State are zones of unpredictability and “friction” that embody both opportunities and constraints for states and markets (see Tsing 2005). They are key sites for consolidating state authority, projecting national sovereignty, and offer new opportunities for capital accumulation. They are spaces of dynamic political and economic change with strong connections to national and global circuits of commodities, capital, and investment (Goodhand 2013; Korf and Raeymaekers 2013). Indeed, metropolitan centres may be shaped by, or even become dependent on, the revenues generated from these contested regions and the relationships of power that emerge around how these spaces are governed (Meehan and Plonski 2017, 1).

However, these frontier regions are also particularly prone to forms of disruption, delay and disorder that undermine the workings of capitalism and central rule (Rasmussen and Lund 2018, 388; Watts 2018). The presence of overlapping and competing systems of rule, regulation, and territorial authority challenge processes of state

“simplification,” which aim to make populations and territories more easily legible and governable, and unsettle the smooth flow of goods (see Scott 1996).

The reconfiguration of such spaces to embed capitalist social relations and to fulfil state-making projects are underpinned by the dual processes of frontier making and territorialisation (Rasmussen and Lund 2018, 390–396). Frontier dynamics entail the often-violent dissolution of existing “social orders – property systems, political jurisdictions, rights, and social contracts” (Rasmussen and Lund 2018, 388). Processes of territorialisation involve embedding new forms of authority and territorial administration in terms of property regimes, access rights, and legal systems. Importantly, aspirations to administer territory and to capitalise upon the opportunities that emerge in frontiers are not confined to the state but are also often held by an array of other authorities such as armed organisations, local strongmen, customary institutions, and religious authorities (Abraham and van Schendel 2005, 6; South 2018, 53–55).

Governance in such spaces is not absent, but it is constructed in a context where existing social structures and systems of rule are being challenged and eroded and where formal state institutions remain weakly embedded (Geiger 2008, 111). This creates an environment in which diverse, experimental, and often coercive forms of governance can take root, and which are shaped by a multiplicity of institutional forms, actors and practices beyond formal state structures (Ballvé 2012; Baud and van Schendel 1997; Goodhand 2008). In contexts like northern Shan State, this has opened political space for those individuals and organisations that are able to interact with military-state officials and businesses moving into frontier regions, while simultaneously managing relationships with non-state authorities and governing local populations in areas where state authority is weak and contested.

In developing a more fine-grained analysis of the systems of rule that emerge in contexts where expanding state authority and market forces rub up against pre-existing structures of authority and systems of rules and regulations, the concept of brokerage is instructive. Drawing upon a wide body of literature, this paper defines brokerage as a social relation that mediates the transmission of power across divides – or synapses – between different networks or power structures and facilitates connections outside of formal institutions. These may be *social synapses* (boundaries between different cultures, belief systems, ethnic affiliations, languages), *sovereignty synapses* (between different de facto jurisdictions, such as state jurisdictions and the jurisdictions of armed organisations), or *regulatory synapses* (between different sets of regulations and rules, for example the meeting of customary and national land laws and the informal dimensions – norms, customs, and codes of conduct – that surround them). These synapses are not mutually exclusive; indeed, a synapse may have a social, sovereignty, and regulatory dimension. Those individuals or organisations that are able to broker across these divides are valued as network specialists for their ability to understand the knowledge systems and life-worlds on either side of these synapses and to selectively transmit and filter power, resources, and ideas across these potential choke points; in other words, to “get things done.”

However, brokers are often Janus-faced characters whose interests lie in perpetuating rather than resolving friction, since it is through mediating such tensions that they derive and retain power (Wolf 1956, 1076). Their authority may also be dependent upon maintaining competing or even contradictory “registers of legitimacy” amongst different constituencies (Lund 2006, 693). Brokers may see or position themselves as a bulwark against encroaching state or market forces. They may aspire to administer local jurisdictions on their own terms, rather than becoming agents for external forces. Undertaking brokerage

activities may be a pragmatic decision to retain a degree of local autonomy in contexts where the costs of outright opposition in the form of armed resistance may be too great to bear. At the same time, such individuals or organisations may not self-identity as brokers, and the term often has a pejorative meaning in local contexts, being linked to self-interest and exploitative behaviour. Brokers should therefore be understood as acting not simply as intermediaries, but rather as mediators, whose ability to navigate across boundaries and between scales gives them a degree of influence over how power is imposed, resisted, and negotiated and the kinds of institutional orders that emerge in contested spaces (Bierschenk, Chaveau, and De Sardan 2002, 2–4; Mosse and Lewis 2006, 11–17).

This study contributes to a recent body of literature that has sought to reinvigorate brokerage as a key analytical concept for understanding how power is mobilised and mediated and to draw attention to the enduring importance of informal structures of authority and negotiation (see, for example, Anwar 2014; Goodhand, Klem, and Walton 2016; James 2011). Brokerage had been an influential concept in political anthropology through the 1950s and 1960s (see Meehan and Plonski 2017, 26–30). Initial focus on the role of brokers in colonial structures shifted by the 1960s to the role that brokerage played in post-colonial nation-states in promoting socio-cultural integration and mediating access to state resources (Geertz 1960, 228).

Following the concept's initial heyday, interest in brokerage fell away as the increasing power and territorial reach of the modern state and capitalist forces were viewed as overwhelming the capacity of brokers to influence processes of development and social change (Mitchell 1990, 567–569; James 2011, 319–320; Lindquist 2015). The apparent hegemony of the modern state and market forces contributed to the “strange death of political anthropology” and declining interest in much of the vocabulary it had developed (Spencer 2007, 1–18).

The longstanding critique of brokerage, especially in Marxist scholarship, as privileging a focus on individual agency over the structural determinants of power was exacerbated by the way in which the brokerage concept became closely associated with social network analysis in the latter part of the twentieth century (see, for example, Granovetter 1973; Burt 1992; 2005). Whereas much of the early political anthropology literature on brokerage combined in-depth ethnography of brokers with sustained analysis of the broader power structures within which they acted and were embedded, social network analysis marked a decisive shift towards methodological individualism and a narrow focus on the utility-maximising calculations of individual brokers (Meehan and Plonski 2017, 26–27).

Addressing these limitations, this article emphasises the need to understand brokerage dynamics as representing both a structural feature generated by the expansion of states and markets into contested spaces – which generates the need to find ways to facilitate the flow of power, commodities and capital across social and political synapses – and the cumulative impacts of the interests and activities of those who act as brokers. In addressing the inherent tensions between structure and agency in the study of brokerage, particular attention is drawn to the often unintended and contradictory outcomes created by brokerage arrangements as different actors grapple with a wider set of social forces beyond their control. These tensions produce a *brokerage effect*. This concept eschews a narrow focus on the individual interests and actions of brokers. Rather, it captures the unforeseen and often-unintentional effects of brokerage arrangements on how states and markets gradually become embedded in contested spaces and how these arrangements come to shape the everyday lives of those living in contested regions. Studying brokerage

effects is thus intended to offer deeper understanding of the cumulative outcome of often highly contingent arrangements between actors that are trying to navigate environments where they are partially sighted and in which their actions are constricted by the complex web of relationships, social norms, expectations, and competing pressures in which they operate. The focus on brokerage effects offers a way to address the difficulties that many recent studies have continued to grapple with when attempting to counter the narrow methodological individualism that dominated brokerage studies in the late twentieth century, while simultaneously deploying an empirical lens that privileges the actions, intentions, and narratives of individual brokers to account for the impacts of brokerage arrangements on processes of social change.

Through exploring brokerage effects in northern Shan State, this study aims to make two further contributions to the recent literature on brokerage. First, it emphasises the need to place violence at the centre of analysis of brokerage. Violence has been strangely absent in much of the literature on brokerage, with Blok (1974) being a notable exception. Brokerage has typically been analysed in terms of its ability to facilitate integration, mediate social conflict, and mobilise flows of ideas and resources. Thus, it has rarely garnered interest from students of violence and conflict, whose lenses are focused on contexts where order has collapsed. In contrast, this study draws attention to how violence is crucial for enabling brokers to fulfil their connective function in conflict-affected frontiers and creates a privileged space for distinct forms of “coercive brokerage” (Gutiérrez Sanín 2019, 16). This provides an important entry-point for exploring why it is militias that have played key brokerage roles in northern Shan State and offers new ways to understand how violence becomes embedded in systems of frontier rule.

Second, this study connects the study of brokerage with literature on the relationship between states and illegal practices (Heyman and Smart 1999; Gallant 1999; Abraham and van Schendel 2005). This literature takes as its starting point the need to move beyond the “idea” of the state, which equates the state with law and order, to capture the messy realities surrounding how states actually function. By viewing the state “from below,” this literature explores how the expansion of states and markets is often rooted in interactions with, rather than the disappearance of, practices states deem illegal. This study argues that illegal economies can become a key arena in which the tensions surrounding brokerage are contested. Offers of impunity, protection, and opportunities to invest illegal revenues in the legal economy become important enticements through which state actors co-opt the services of locally powerful actors and encourage them to work with, rather than oppose, encroaching state authorities. Enabling those who take on the role of brokers to remain, or become, involved in illegal activities also provides state authorities with a way to keep brokers in check, since the informal promises of impunity and protection are always subject to renegotiation. However, for brokers, illegal activities can enable them to maintain, or establish, informal networks, revenue streams, and patronage systems beyond the purview of the state to pursue their goals, exploiting the need for state officials to appear distant from illegal activities. The relationship between illegal economies and emerging systems of frontier governance offers important entry-points into the inherent tensions surrounding brokerage arrangements and their often-unintended effects. The remainder of this article draws on these analytical starting points to explore the relationship between armed strongmen, drugs, and emerging systems of borderland governance in northern Shan State.

Brokered Rule in Contested Borderlands: Northern Shan State's Army-Backed Militias

Large areas of Myanmar's borderlands have never been under the firm control of the central government and are governed by a complex mosaic of local authorities. Since independence in 1948, successive governments have sought to establish a centralised unitary state underpinned by discourses that present borderland regions and their ethnically diverse populations as natural, uncontested parts of the Myanmar nation-state. Yet, concurrent government narratives of the risks of disunity and fragmentation have been used to justify the use of extreme violence to strengthen state control over contested borderlands. These strategies, and the resistance they have evoked from an array of ethnic armed organisations, have underpinned long-standing armed conflicts (see Sadan 2016; Smith 1999).

The Myanmar government's dismantling of long-standing borderland power structures through the 1950s and early 1960s as part of efforts to consolidate and centralise military-state control created a power vacuum in northern Shan State as the government struggled to establish functioning state institutions to replace the structures it had removed (Mong 2005, 94–100; Chao-Tzang Yawngnaw 1987, 114–116; 1993, 308). The situation was further destabilised by General Ne Win's 1962 military coup that installed a military dictatorship and brought an end to hopes amongst opposition forces of enacting constitutional reform towards a more federal state structure. Armed resistance and violent counter-insurgency soon spread throughout much of the borderlands.

Across northern Shan State, conflict dynamics have been particularly fragmented. From the late 1960s until its collapse in 1989, the Communist Party of Burma (CPB) was the country's largest non-state armed organisation and controlled significant territory along the China border in Shan State and Kachin State. In northern Shan State, the CPB established permanent bases in Kokang, Namkham, and Kutkai Districts and constructed roads, hospitals, schools, and a hydroelectric power station (Lintner 1990, 75–86). The CPB also contested large swathes of territory beyond these base areas.

During this period, a triangular conflict emerged in northern Shan State between the CPB, the Myanmar Army, and various EAOs, the largest of which were the Kachin Independence Army (KIA), the Shan State Army, and the Palaung State Liberation Army. Significant tensions existed between the CPB and EAOs over ideology, political goals, and the administration of contested territory.

Local strongmen – and they have almost always been men² – operating outside of larger armed organisations have long been important protagonists in northern Shan State's fragmented political landscape (Maung Aung Myoe 1999, 141–142; 2009, 23–31; Buchanan 2016, 6–12). These strongmen sought to carve out enclaves of territorial control and retain local autonomy from both the state and non-state armed organisations. The power of local strongmen has been primarily rooted in their families' position as local elites prior to the outbreak of conflict, and their ability to mobilise the means of violence to control territory and enforce allegiance. One of the most important mechanisms through which strongmen sought to maintain their power has been by retaining their own militias, often funded through their involvement in the region's illegal opium/heroin trade.

There is a long history in northern Shan State of the Myanmar Army empowering local strongmen-led militias to act as counter-insurgency forces. This strategy has seen the Myanmar Army attempt to draw upon militias' local political authority and knowledge of non-Burmese languages, social structures, and local politics to navigate the social, sovereignty, and regulatory synapses that have impeded the extension of formal bureaucratic

state power. Militia strongmen have often taken on such brokerage functions to strengthen their position vis-à-vis the Myanmar Army and non-state armed organisations.

One of the clearest examples of these kinds of brokerage arrangements emerged in the mid-1960s when numerous local strongmen took up the Myanmar Army's offer to become government-sanctioned "home guard forces" (known in Burmese as Ka Kwe Ye, or KKY) to fight against the CPB (Lintner 1999, 231–238; Meehan 2016a, 203–207). At this time, the Myanmar Army was fighting on multiple fronts with most of its attention focused on major counter-insurgency offensives in the Irrawaddy Delta region and against CPB strongholds in central Burma. In northern Shan State, the KKY initiative was an expedient, cost-effective strategy to fragment the region's insurgency. Its rationale was to capitalise upon the plurality of local allegiances across Shan State by providing support and pledges of local autonomy to any group that agreed to oppose the CPB.

The Army's willingness to allow the KKY to collect taxes, trade opium, use government-controlled roads, purchase and retain weapons, and conscript men, offered an opportunity for local strongmen to establish themselves amidst the region's complex and volatile milieu. The Myanmar Army's longer-term aspiration was seemingly to convert the KKY from relatively autonomous brokers into anti-insurgent militias under firmer Army control (Lintner 1999, 261). However, in 1973 the military government formally renounced the KKY strategy and demanded that these militias disband and relinquish their weapons. This decision was rooted in the recognition that KKY militias had proved to be inept counter-insurgency fighters, lacking the training, discipline or inclination to fight. Numerous militias had wrestled greater autonomy than that initially envisaged by the Myanmar Army, in some cases even establishing close political and business ties with armed organisations fighting against the central government (Lintner 1999, 263). The more powerful KKY militias used their growing strength to resist pressures from the Army to disband, and instead moved back across the vague dividing line between pro-government militia and insurgent (Lintner 1999, 261–263; McCoy 1999, 136–139; Smith 1999, 335).

Although the KKY initiative had been effective in further fragmenting the region's insurgency, its failure to incorporate local strongmen more firmly into state structures reveals the inherent tensions and contradictions that surround brokerage. The most significant tension was that those militia strongmen who were best-placed to act as brokers for the Myanmar Army – that is, those who commanded local authority and to whom responsibility for controlling territory and populations could be delegated – were also those whose power was not dependent on their relationship with the Myanmar state. Rather, their authority was also rooted in their ability to maintain relationships with non-state actors, operate trade and patronage networks beyond the oversight of state officials, and exercise charismatic leadership that was founded partly on their ability to mediate encroaching state power.

The Myanmar Army's willingness to reinvigorate a militia strategy in northern Shan State in the period since the late 1980s is rooted in several shifts in the political economy of this region, which intensified the need to find expedient ways to stabilise contested territories and encouraged the Myanmar Army to believe that they were in a stronger position to avoid a repeat of the KKY experience. Most importantly, the dynamics of armed conflict in northern Shan State began to shift in the Myanmar Army's favour. Through the 1980s, the Myanmar Army secured a string of military victories that enabled it to penetrate further into rebel-held territories. In 1989, the CPB collapsed and splintered into various smaller armed organisations (Lintner 1990, 39–46). The largest of these splinter groups were the United Wa State Army (UWSA), the National Democratic Alliance

Army (NDAA), and the Myanmar National Democratic Alliance Army (MNDAA), all of which continued to control territory in Shan State along the China border. Capitalising upon the uncertainty created by the CPB's collapse, the Myanmar military government agreed ceasefires with the main CPB splinter groups and then with most ethnic armed organisations operating in northern Shan State in the late 1980s and early 1990s (Zaw Oo and Win Min 2007, 11–13; Meehan 2011, 388–389). The Myanmar Army seized upon the fragile stability created by the ceasefires to launch a prolonged process of militarisation in contested borderland areas. Whereas in the 1960s and 1970s, KKY units had operated in territories over which the Myanmar Army exerted virtually no control or surveillance, the Myanmar Army now viewed itself as having the capacity to enforce stronger oversight. Militias were viewed as a mechanism through which to delegate the rigours and risks involved in the everyday governance of contested and socially diverse territories within a more robust military structure.

The decision to expand the use of militias in northern Shan State was also driven by pressures to stabilise contested territories as quickly as possible as part of efforts to attract capital, expand trade, and extract revenue from the country's resource-rich borderlands. These efforts were part of changing economic strategies pursued by the Myanmar military junta and by political and business elites in China's neighbouring Yunnan Province. In Myanmar, chronic economic mismanagement under General Ne Win had left the country close to bankruptcy by the late 1980s. Military elites viewed this economic failure as the primary cause of the 1988 pro-democracy protests that nearly toppled the country's military regime. The failing of the national economy contrasted starkly with the country's flourishing black-market, cross-border economy, which was largely in the hands of EAOs. The military government that replaced Ne Win in 1988 thus looked to reinvigorate the economy by strengthening state control over resources and trade routes in the country's borderlands.

Northern Shan State also became increasingly important to changing economic development strategies in China. The Myanmar-China border had been officially sealed during Mao Zedong's leadership as part of his strategy to strengthen political centralisation, and Chinese security forces had established close links with the CPB. However, through the 1980s support for the CPB was scaled back and the Chinese government sought ways to address the growing economic disparity between the country's rapidly developing eastern coastal areas and its landlocked interior provinces. Yunnan business and political elites lobbied the central government to relax strict border controls and sought to re-brand their province as a "bridgehead" with Southeast Asia (Hameiri, Jones, and Zou 2019, 483–486; Meehan, Sai Aung Hla, and Sai Kham Phu 2021; Summers 2013, 53–82). In 1988, the Myanmar government implemented a new Foreign Investment Law that dismantled many of the Ne Win-era restriction on foreign enterprises. This was followed in 1991 by the "Wastelands Law" which allowed the government to allocate large-scale concessions of "fallow" or "waste" land, which included all lands not formally registered with the government and in practice included all customary and communal lands regardless of the fact that much of this land was being farmed (TNI 2012, 31).

Inflows of capital, primarily from China, intensified competition for farmland and natural resources throughout northern Myanmar. Timber, mineral and rare earth extraction, and rubber and maize production (primarily for animal feed) in northern Myanmar flow into China's industrial, manufacturing, and livestock sectors that serve global markets. The oil and gas pipelines connecting deep-sea ports on the Bay of Bengal on Myanmar's western seaboard to Kunming in Yunnan transect northern Shan State and have become a key component of China's energy security and foreign policy considerations. By 2010,

the northern Shan border town of Muse was handling more than 80% of licit overland Myanmar-China trade – more than \$10 million worth of goods per day (Chen and Stone 2017, 491–492). The road that links Mandalay to the border town of Muse is also a key part of the China-Myanmar Economic Corridor that forms part of China's Belt and Road Initiative. Revenue generated from “opening up” northern Shan State has played an important role in Yunnan's rapid development. These revenue flows have also had a strong influence on Myanmar's national economy through providing capital for private companies and major infrastructure projects, including international airports, ports, and the country's new capital city, Naypyidaw, as well as injecting capital into real estate markets and contributing to military budgets (Meehan 2011, 392–395).

Efforts by state and business actors to reconfigure northern Shan State from a stronghold of armed resistance to a key site of accumulation at the heart of state-building and development strategies have opened new spaces for brokerage. Military-state officials and businesses operating in northern Shan State have worked with the grain of local power structures, drawing upon and empowering longstanding systems of informal political authority, most notably by working through and empowering local militias.

Militias demonstrate significant variation in terms of their size, autonomy, and ambitions. In many cases, they are little more than village defence forces under the firm control of the Myanmar Army. However, several powerful militias have also emerged. Rather than being displaced or dismantled by an increasingly powerful nexus of military-state-business power, these militias have been able, in the words of Blok (1969, 158), to “break into the system” through their ability to broker between encroaching military-state authorities and businesses and local populations. Table 1 presents an overview of the most powerful militias in northern Shan State.³ It is important to note that large militias have quite extensive management structures encompassing civilian and military activities, which are overseen by a group of senior figures rather than a single leader. However, most militias are associated with a particular leader whose background and relationships with both the Myanmar Army and EAOs has been instrumental in enabling the militia to act as brokers, even if these leaders are not always involved in managing the militia's day-to-day affairs.

It is striking that all those militia leaders outlined in Table 1 are from non-Bamar ethnic nationalities, reflecting the enduring reliance of the Myanmar state on brokers who have the ability to operate across “social synapses” created by the diverse languages, cultures, and ethnic affiliations in a region where the capacity and legitimacy of formal state bureaucracy to navigate these synapses remains limited. The rise to prominence of militia leaders as key borderland brokers also epitomises the enduring importance of coercion to how state and capitalist forces seek to overcome the “regulatory synapses” created by the presence of pre-existing systems of land ownership and resource management by drawing upon the services of those who have the coercive capacity to forcibly open spaces for investment and quell dissent.

Northern Shan State's militias vary in terms of their relationship to the region's insurgency politics. Some have longstanding links with the Myanmar Army and have acted as counter insurgency militias for decades. The most prominent examples include “Panhsay” Kyaw Myint, who established an anti-insurgent militia in the 1980s and is one of the longest-serving militia leaders in northern Shan State, T Khun Myat, who was the leader of a local combat police force in Kutkai during the 1980s,⁴ and Myint Lwin, who has been a longstanding anti-insurgent militia leader and has performed various local administrative duties dating back to the Ne Win era. In contrast, other groups comprise leaders and troops who had previously fought against the

Table 1. Powerful militias in northern Shan state

Militia name	Headquarters (township)	Origins	Leader	Dates active
Kutkai Militia	Kutkai	Longstanding Myanmar Army-sanctioned militia	T Khun Myat	Pre-1988–ongoing
Kawngkha Militia	Kutkai	Former insurgents; split from the KIA in 1990 to form the Kachin Defence Army (KDA). Renamed the Kawngkha militia in 2010.	Mahtu Naw	1990–ongoing
Tamoeng — ngen Militia	Kutkai	Longstanding Myanmar Army-sanctioned militia	Myint Lwin (aka Wang Guoda)	Pre-1988–ongoing
Hpawng Seng Militia	Muse	Former insurgents: Split from the KIA in 2004	Salang Lau Yawng (brother of T Khun Myat)	2004–ongoing. Gained official status as army-sanctioned militia in 2009
Mongkoe Defence Army (MDA)	Muse	Former ceasefire group: split from the MNDA	Mong Hsala	1995–2000 (disbanded)
Mongpaw Militia	Muse	Militia formed by the Myanmar Army	Keng Mai (aka Du Kying Mai)	2000s–ongoing
Panhay Militia	Namkham/Kutkai	Longstanding Myanmar Army-sanctioned militia	“Panhay” Kyaw Myint (aka Win Maung)	1980s–ongoing
Myo Ma Militia	Namkham/Muse	Split from the Panhsay militia	Aik San (aka Sai Sam)	c.2010–ongoing
Manpang Militia	Tangyan	Former insurgents: ex-Mong Tai Army	Bo Mon (aka Sai Mon)	1996–ongoing
Mongha Militia	Tangyan	Former armed group: ex-Mong Tai Army	Ma Guowen (aka Lao Ma; Law Ma)	Late 1990s–ongoing

government before converting to Army-sanctioned militias since the late 1980s. Both Bo Mon and Ma Guowen were formerly members of Khun Sa’s Mong Tai Army before its surrender in 1996, while Mahtu Naw was a former commander in the KIA (see below). Other local strongmen have risen to prominence through relationships forged with the Myanmar Army during the ceasefire period, notably Keng Mai who formed the Mongpaw militia in the early 2000s.

Militias in northern Shan State operate under the oversight of the Myanmar Army’s Lashio-based Northern Regional Command. They have been expected to administer designated areas of territory and ensure EAOs are deterred from recruiting or collecting revenue from these territories. Militias have also been deployed to police checkpoints, provide security for large development projects, conscript young men for the Myanmar Army (often by working through local village headmen), and to pressure local populations to vote for the military-backed Union Solidarity and Development Party in elections (*Shan Herald Agency for News*, July 22, 2009, and October 1, 2010). They have also been deployed by the Myanmar Army to negotiate with EAOs. In 2010, for example, T Khun Myat and Salang Lau Zawng, who are both ethnic Kachin, were deployed (unsuccessfully) by the Myanmar Army to broker a deal with the KIA’s Fourth Brigade that would result in it being transformed into an Army-sanctioned militia (Interview, former high-ranking KDA military officer, Mung Baw April 2019).

Myanmar military-state officials have also sought to utilise the fact that many of these strongmen are from ethnic minorities that have extensive cultural, political, and business ties across the border. Militia leaders such as Panhsay Kyaw Myint (aka Li Yongqiang), Bo Mon and Myint Lwin (aka Wang Guoda) have all brokered connections between military government officials (and companies associated with them) and Chinese investors through their ability to know who to connect, and to overcome social synapses in the form of language and trust barriers (Interviews, local journalists, members of civil society organisations, and former militia members, Lashio, June 2013).

Militias have also been important intermediaries for businesses moving into northern Shan State amidst an environment of ongoing instability and violence in which businesses have not always been able to rely upon the state to protect their interests. For example, the Panhsay militia has provided protection to various Myanmar mining companies in areas under its control (SHRF 2014). Similarly, the Manpang militia has provided security for companies involved in coal mining and the construction of the Nang Pha Dam in Hsipaw Township (SHRF 2016a, 2016b). Through their ability, in Blok's (1969, 159) euphemistic term, "to make themselves respected," militias have played a role in imposing new forms of capital accumulation and property rights through their capacity to deploy violence. These militias have also used their relationships with the Myanmar state and private actors to establish their own businesses (Buchanan 2016, 31–32; Woods 2019, 80–87; Meehan, Sai Aung Hla, and Sai Kham Phu 2021).

Although the context in which the Myanmar Army has sought to extend authority through local militias since the early 1990s is markedly different from that of the KKY period, many of the tensions and contradictions surrounding brokerage arrangements remain. These tensions revolve around the fact that the Myanmar Army has pursued a strategy of militarised state consolidation that ultimately seeks to establish firmer state authority throughout the country's borderlands. This provides opportunities for militia brokers in the short-term, but in a context of a longer-term goal to bring them more firmly under state control or dismantle them entirely. In response, strongmen have sought ways to use their position as leaders of state-sanctioned militias to aggrandise their power and thus press Myanmar military authorities to continue to work through them. Local strongmen may not be able to resist the Myanmar Army and have derived significant power and private wealth by allying with it. Yet they are also aware that their authority is dependent upon simultaneously acting as intermediaries for Myanmar's military-state while holding the state at bay. Alongside engaging with the Army, many militias have thus maintained relationships with EAOs and cross-border business networks – often built on longstanding shared histories, friendships, kinship, ethnic, and religious ties – as a way to source their own supplies of weapons, expand revenue flows, and avoid costly confrontations, as discussed below (Interviews, former high-ranking KDA military officer and local pastors, Kawngkha, April–May 2019).

The decision by the Myanmar Army to draw upon the brokerage services of militias and their leaders represents an expedient mechanism through which to extend and embed state authority and to provide the stability and coercive muscle needed to attract capital, expand trade, and intensify resource extraction. But this strategy also reinvigorates a system of strongman borderland governance, which fragments political authority as much as it allows for the consolidation of state control. The illegal drug economy in northern Shan State has been a key arena in which these tensions have played out, as analysed in the next section.

Drugs and Brokerage in Northern Shan State

A defining feature of prominent northern Shan State militias has been their close links with the drug trade (ICG 2019, 6–8; Meehan 2015, 272–276; SHAN 2011). Some militia-controlled areas are major sites of opium cultivation, including parts of the Panhsay Ridge under the control of Kyaw Myint and areas of Kutkai Township under the control of the Tarmoenye and Kutkai militias (KWAT 2014, 16–17; Meehan 2016b, 385–386). In some cases, militias are directly investing in, and operating, heroin and methamphetamine refineries and cross-border trafficking networks. In other cases, they provide protection and safe havens for transnational organised crime networks to operate in areas under their control in return for payment (ICG 2019, 8–9; Interview, former senior militia figure, Namkham, May 2018.). In January 2018, Myanmar's then largest-ever drug seizure of 30 million methamphetamine pills, 1,750kg of crystal methamphetamine, 500 kg of heroin, and high-quality lab equipment, took place in an area of Kutkai under the control of the Kawngkha militia (ICG 2019, 6). In July 2019, government drug raids in eastern Kutkai led to the seizure of more than \$10 million worth of drugs and equipment from almost 100 small drug-refinery jungle camps in areas under militia control (*The Irrawaddy*, August 1, 2019).

Local populations report that many of those who sell drugs in their locality are connected to militias or operate under their protection. As one farmer in Lashio reflected:

The militia group holds everything in our village. They become rich because of selling drugs. Some sell methamphetamine and construct big houses. I have five sons. Most of them went to China. Because we fear they will become addicts, my sons and many villagers go to work in China. They will become drug users if they stay in the village.⁵

The way in which drugs have become embedded in local structures of authority has made it difficult to mobilise responses to rising levels of drug use in northern Shan State since communities are reluctant to speak out. The police – who have limited presence in much of rural Shan State and are subordinate to the military – have been reluctant to pursue individuals who may have higher level protection or to risk destabilising the political arrangements established between the Army and local militias that have sedimented around the drug economy.

The illegal drug trade in northern Shan State should not be seen merely as a function of the region's war economy, orchestrated by armed groups to finance resistance to the central government. Rather, it is also rooted in the brokerage arrangements that have been established between the Myanmar Army and local militias. Indeed, as shown in this section, the drug trade has become an important arena in which both military-state officials and local militia strongmen have sought to navigate the tensions inherent in these brokerage arrangements.

Co-Option and Control: The Perspective of the Myanmar Army

The drug trade has become an important part of how Myanmar military-state officials have attempted to navigate a delicate balancing act with militias, seeking to co-opt them to govern contested regions while avoiding empowering their autonomy. The Army has granted militias localised territorial control and business opportunities – both legal and illegal – to encourage them to work with the state. Such offers have been particularly important for strongmen whose power and revenue has been founded upon longstanding links to the drug trade, and which an increasingly powerful state has had the potential to disrupt. Attempts to utilise the drug trade as a negotiating tool in this way reflect the

same strategy used by the Army when negotiating ceasefires in the late 1980s and early 1990s with the various CPB-splinter groups (Meehan 2011, 387–396).

At the same time, the Myanmar Army's willingness to sanction militia involvement in the drug trade appears to be part of a wider strategy aimed at enabling it to maintain the upper hand in brokerage arrangements. The official illegality of drugs has enabled the Army to wield the threat of charging militia personnel, or dismantling militias entirely, on the pretext of drug offences should they step out of line. The recent history of northern Shan State is replete with examples of armed groups being given free rein to operate in the drug economy, only to then be targeted for their illegal activities when the military no longer deemed their services necessary. The case of Mong Hsala offers a compelling example. He had risen through the ranks of the CPB and joined the MNDAA, a splinter group of the CPB based in the Kokang region, following the CPB's collapse in 1989. Amidst tensions within the MNDAA, Mong Hsala reached an agreement with the Myanmar Army in 1995 to establish his own militia group, the MDA, and controlled a strategic region close to the China border that became notorious for heroin production and trafficking. Renowned as a good communicator with local Kachin communities, Mong Hsala was seen initially by the Myanmar Army as someone who could play a key brokerage role in governing the region. However, the MDA struggled to maintain harmony amongst Kokang and Kachin forces within its ranks or secure territory under its control. In 2000, following concerns that Mong Hsala was continuing to work closely with the MNDAA and that the MDA's drug trafficking activities had become too overt, the Army violently disbanded the MDA. Mong Hsala and other senior militia figures were arrested and given lengthy prison sentences for drug trafficking (*Shan Herald Agency for News*, November 30 and December 13, 2000; *Mizzima*, May 25, 2016). He was never released and died in prison. In 2020, a similar strategy was used against the Kawngkha militia, as will be shown in the brief case study below.

Maintaining Power and Autonomy: The Perspective of Militias

The drug trade has been an important avenue through which militias in northern Shan State have attempted to strengthen their own position in borderland power structures and to reinforce their autonomy vis-à-vis the state. Within the highly militarised context of northern Shan State's crowded and complex insurgency, the capacity to resist pressures from both the Myanmar Army and other armed organisations has been reliant upon a clear show of strength and the ability to control and close off territories. The drug trade has enabled militias to generate revenue to purchase weapons, retain and equip soldiers, and to strengthen their position as local patrons. This has important practical and symbolic dimensions. Practically, revenues derived from the drug trade have enabled militias to purchase weapons on the black market that rival and, in some cases exceed, those held by Myanmar Army troops, rather than rely on weapons provided by the Army that are often old and low quality (*Frontier*, October 22, 2018). The capacity to arm recruits has enabled militias to resist incursions into their territory and maintain their position as key gatekeepers brokering access to areas they control. Drug revenues have also financed the private payments and gifts that are important in solidifying the personal relationships militias have sought to establish with powerful state and non-state actors. Symbolically, the ability to generate their own revenue, rather than rely upon Army stipends, has enabled militias to portray an image of independence locally, for example through donning their own uniforms and insignia, financing local services, and making large donations to religious institutions.

Although the Myanmar Army has used offers of protection, impunity and money laundering to co-opt strongmen, military officials are required to temper their interactions with the drug trade to mitigate against the risks of inciting international condemnation (from both China and the west). The Army's scope to use the drug trade as a tool to forge brokerage arrangements with militias is constrained by the need to maintain a narrative that characterises the drug trade as remaining in the hands of criminal groups beyond state control and over which the Myanmar state has limited control. This situation generates room for manoeuvre for those involved in the drug trade. Alongside personal enrichment, involvement in the drug trade has thus provided local strongmen with one of the most expedient mechanisms through which to carve out a local power base strong enough to discourage the Myanmar state and other armed groups from moving directly against them, as is now demonstrated through the case of the Kawngkha militia.

Brokerage in Action: The Rise and Fall of the Kawngkha Militia

For many years, the Kawngkha militia was one of the most powerful Army-sanctioned militias in northern Shan State and a key player in the region's drug trade. However, in March 2020 the Myanmar Army launched a surprise drug raid against the militia. Over a period of 40 days, the Army arrested senior militia figures, confiscated more than one thousand weapons, and seized \$200 million worth of drugs (*Mizzima*, May 19, 2020; *The Irrawaddy*, March 26, 2020). The rise and fall of the Kawngkha militia reveal the inherent tensions in the brokerage arrangements established in northern Shan State and the ways in which the drug trade has become deeply embedded in systems of borderland brokerage.

The leaders of the Kawngkha militia were formerly part of the KIA's 4th Brigade but defected in 1990 and agreed a ceasefire with the Myanmar Army. This decision was motivated by a combination of the Brigade's increasingly exposed position following Myanmar Army advances through the late 1980s and the frustrations of its battle-hardened commander, Mahtu Naw, at being overlooked for promotion within the KIA in favour of an emerging cadre of better educated but less military-experienced figures. These internal tensions were capitalised upon by Myanmar Military Intelligence officers who had already reached ceasefires with the former CPB splinter groups. The agreement with the Army enabled Mahtu Naw to retain the weapons and troops under his control, administer territory, and gain business opportunities. The organisation was renamed the KDA and Mahtu Naw joined the National Convention in 1993, which was responsible for advising the government on drafting the country's new constitution, eventually promulgated in 2008. The KDA controlled territory across Kutkai and Lashio Townships that had long been contested by the KIA. The militia also controlled a strategic base area that provides key entry points to Kokang and Wa territory east of the Salween River. The KDA was delegated responsibilities for day-to-day governance of territories it controlled under the oversight of the Myanmar Army's Lashio-based North Eastern Regional Command.

Through this arrangement, the Myanmar Army sought to consolidate control in contested spaces of northern Shan State. The government established stronger state presence in Kawngkha town, where it built a school, health centre and administrative offices (Interviews, pastors and youth leaders, Kutkai, May 2019). The military also pressed for the construction of Buddhist pagodas and temples in KDA territory, despite the region's predominantly Christian population and the sensitivities surrounding the imposition of Burman culture on non-Bamar ethnic nationality populations (*Kachin News Group*, December 11, 2008).

However, despite growing Myanmar Army oversight, the KDA maintained close relationships with armed organisations, primarily the KIA, and established its own networks. KDA leaders leveraged their brokerage position to strengthen their own independent power and moral authority, and to position the militia as the key interlocutor between external forces and the territories and populations under its auspices, rather than merely facilitating the expansion of Army authority. In KDA-controlled rural areas, the Myanmar police have no presence and the KDA restricted other militias and EAOs from operating (Interviews, village elders, Lashio, April 2019). The KDA has funded the construction of roads, bridges, schools, and churches, and has also drawn in support from government and NGOs for local development projects. Although the construction of Buddhist pagodas in Kutkai aroused resentment amongst the region's predominantly Christian population, which viewed this as indicative of the Myanmar state's efforts to suppress non-Burman ethnic nationalities, the KDA also demonstrated its capacity to promote Kachin culture and identity. It patronised local churches, supported schools providing a Kachin language, church-based curriculum, and financed major Kachin cultural events (Interviews, church pastors, Kutkai, May 2018). It hosted Manau – the most significant Kachin festival – even at times when such events were outlawed in government-controlled areas and built one of the country's largest Manau festival grounds. As one resident from Kawngkha village reflected: "This is the KDA's control area, and the development of the village is supported by them. They helped students who had passed grade 10 but were finding it difficult to attend university. The KDA also communicates with NGOs for the development of the village" (Interview Kutkai, May 2018).

Throughout the 1990s and 2000s, the fragile stability established following the cease-fires between the government and EAOs in northern Shan State enabled the KDA to leverage its ties with both the Army and the KIA. The KDA's relationship with the Army enabled it to acquire business concessions – notably logging – and derive revenue from the drug trade with impunity. In turn, the KDA's ties with EAOs protected it from aggression and enabled it to establish cross-border trade networks and purchase its own weapons, primarily from the UWSA, which operates its own weapons factories. The KDA's ability to navigate the complex northern Shan border world helps to explain why it became an attractive business partner for transnational criminal organisations and why KDA territory became a haven for illegal drug production.

The KDA's strength lay in its ability to broker across multiple social and political fault-lines. But this was always an exposed position. The stakes surrounding informal systems of borderland brokerage in northern Shan State intensified following the breakdown of the KIA ceasefire in 2011 and the return of large-scale armed conflict. Tensions that had lain dormant under the ceasefires, but that had never been addressed, rapidly escalated. The Myanmar Army was determined to strengthen its control over northern Shan State. It had consistently rejected the KIA's claims to territory outside of Kachin State, and in 2009 demanded that the KIA be converted into a "border guard force" under firmer Myanmar Army oversight.⁶ The KIA rejected the government's demand and refused to relinquish its territorial claims in northern Shan State – a region from which most of the KIA's founders hailed.

Consequently, the political space that the KDA had occupied by straddling state and non-state networks was constricted after 2009. The Army exerted greater pressure and the organisation was subsequently renamed the Kawngkha militia. At the same time, the militia faced increasing pressures from the KIA and other EAOs fighting the Myanmar government. As one senior Kawngkha militia figure reflected,

Owing to the armed conflict in northern Shan, we had to maintain a regular communication channel with the KIA.... Since major ethnic armed groups in northern Shan some way or other must procure arms and ammunitions from the UWSA, they all have to pass through our controlled area on the western bank of Salween River. The Wa's territory is on the eastern bank. We cannot say no to them (Interview, Kawngkha, May 2019).

The Kawngkha militia sought to retain its power and autonomy by leveraging the multiple relationships it had long cultivated across conflict fault-lines. It used its status as an Army-sanctioned militia to rebuff efforts by the Ta'ang National Liberation Army – another insurgent group fighting against the government – to collect revenue and recruit from areas under its control.⁷ In resisting this group, the Kawngkha militia was motivated by more than just pressure from the Myanmar Army to conduct counter-insurgency campaigns. Such activities were aimed at reinforcing the militia's position as the necessary broker to mediate revenue collection and business activities in areas it claimed to control. At the same time, the militia's leadership sought to resist overt pressure from the Myanmar Army, especially to recruit troops and to fight directly against the KIA, by threatening to return to insurgency. Indeed, when asked in 2018 how the Kawngkha militia would respond to increasing Army pressure, one senior figure replied, "We will merge with KIA and fight back to protect our territory and our people" (Interview, Kawngkha, May 2019).

Aware of the organisation's increasingly vulnerable position, the militia's leadership sought to strengthen its capacity to resist external pressures, primarily through recruiting and arming soldiers beyond the number officially allowed for Army-sanctioned militias. The drug trade inevitably became a key part of this strategy as it offered the most expedient mechanism through which to generate revenue quickly. The militia's links with transnational organised crime and the escalation in drug production in territories controlled by the militia should be understood in this context. However, over time, the militia's relationship with the drug trade created further tensions as worsening levels of drug harm have become a major concern among local populations (Seng Lawn Dan et al. 2021). As one village elder reflected:

The drugs are increasing because of KDA activities... they also participate in drug distribution. Drugs cause broken families, and youth are falling into drugs, so we decided to fight the drug issue. But when the anti-drug movement group started taking actions, the Kawngkha militia came to the home of the leader of the anti-drug movement group and fired a warning shot. So, the fight of anti-drug group was stopped (Interview, Lashio, April 2019).

In 2015, violent clashes erupted in northern Shan State, this time in the Kokang region along the China border. In 2016 the Northern Alliance was formed as a military coalition of four of the largest EAOs in northern Shan State, including the KIA and the Kokang-based MNDAA. Since 2015, another member of the Northern Alliance – the Arakan Army – became the main protagonist in the escalating insurgency in Rakhine State in western Myanmar (see Smith 2019). These developments seemingly led the Myanmar Army to re-assess its militia strategy in northern Shan State, including its approach to the drug trade amidst concerns that drug money has been instrumental in financing the Arakan Army's rapid expansion. One priority for the Army has been to prevent Northern Alliance members accessing weapons from the UWSA and it sought to exert firmer control over territory in which the Kawngkha militia operated. As battlelines hardened, the Kawngkha militia's brokerage skills became less important for the Army's counter-insurgency strategy and were instead seemingly viewed as a strategic weakness. The militia's involvement in the drug trade provided the Army with justification to move against it and to send a warning to its leadership, and that of other militias.

The Army's targeting of the Kawngkha militia in March 2020 epitomised the worsening conflict dynamics in northern Shan State. Forms of brokerage – albeit deeply illiberal and laced with violence – that were previously possible across conflict fault-lines have been replaced by the hardening of such boundaries in a trend that warned – even prior to the military coup that occurred in February 2021 – of worsening armed conflict in the years to come. However, the fact that the Kawngkha militia has not been dismantled entirely and has continued certain business and administrative activities suggests that there may come a time when the Army once again comes to value their capacity to act as brokers.

Conclusion: The “Brokerage Effect” in Northern Shan State

Over the past 30 years borderlands across Southeast Asia have become the subject of concerted attempts by national governments to overcome longstanding insurgencies and extend state control, as well as efforts by an array of actors to expand cross-border trade and convert borderlands into sites of capital accumulation. Such efforts have inspired a rich literature exploring the systems of rule and changing social orders that have coalesced around processes of capitalist expansion and state consolidation. This article offers fresh insights through an exploration of the localised systems of rule that have emerged in the conflict-affected Myanmar-China borderland region of northern Shan State since the late 1980s.

Central to the argument presented in this article has been the importance of brokerage to understanding how power operates in contested and fragmented frontier regions, and in shaping how states and markets function. Brokerage provides an expedient way to try to overcome the friction created when efforts to reconfigure frontiers rub up against pre-existing structures of authority and systems of rule. Indeed, this research shows how the expansion of markets and state institutions into contested borderlands creates new opportunities for brokerage. In this study the emphasis has been on exploring the *effects* of brokerage arrangements on systems of frontier rule, rather than concentrating on the narratives, actions and intentions of individual brokers per se. This approach is intended to go beyond simplistic characterisations of brokers – common in much of the recent social network analysis literature on brokers – as freewheeling actors whose actions can be understood as a clear set of purposive calculations intended to aggrandise their own power and authority. Rather, it draws attention to the often unintended and contradictory outcomes created by brokerage arrangements between actors that are trying to navigate volatile environments in which their actions are constricted by the complex web of relationships, social norms, and competing pressures in which they operate.

For northern Shan State, two particularly important brokerage effects were revealed. First, brokerage arrangements have had the effect of perpetuating highly militarised environments, even in areas and at times when large-scale armed conflict was in abeyance. The Myanmar Army has used brokerage to try to stabilise conflict-affected regions rather than engage in political dialogue to address longstanding drivers of conflict. The ability to wield coercive power has been an essential component of what makes a broker useful in the eyes of the state. Thus, even though brokerage has been viewed as a mechanism through which to stabilise armed conflict, it has had the effect of motivating local strongmen to establish well-armed militias to try to maintain their position within borderland power structures. The pervasive militarisation of society across northern Shan State – where the ability to call upon armed men is integral to wielding power and to “getting things done” – is thus not only a consequence of the ongoing armed conflict between the

Army and ethnic armed organisations but is also a function of the brokerage arrangements that the army has deployed to stabilise the region, and which have been instrumental in opening the region to investment. In the short term, these forms of militarised frontier rule have served to extend the reach of the state, although they have had the effect of further fragmenting the means of violence and creating highly volatile environments that may weaken the state's ability to consolidate control in the long term. It has also served to disempower non-militarised forms of negotiation and brokerage.

Second, brokerage arrangements in northern Shan State have had the effect of embedding the region's longstanding drug economy in systems of borderland rule. Informal deals around the drug trade became an important means through which the Army sought to co-opt borderland strongmen and to ensure that militias were self-financing. In turn, as the case study of the Kawngkha militia shows, militias have sought to use the drug trade to aggrandise their own power and so resist future efforts by the military to dismantle them. Analysis of brokerage arrangements in northern Shan State thus helps to explain why northern Shan State is at the heart of Asia's illicit drug production and trafficking. One of the most significant effects of these brokerage arrangements has been the proliferation of drug harms amongst local populations, which has had a devastating impact on individuals, families and communities and has generated strong resentment towards local authorities (Drugs and (Dis)order 2020). The fact that some militias have simultaneously derived revenue from the drug trade while trying to demonstrate their anti-drug credentials by eradicating crops, arresting people who use drugs, and supporting rudimentary treatment centres, captures the inherent tensions and contradictions surrounding brokerage in northern Shan State.

These insights reveal how the challenges facing the Myanmar-China borderlands – insecurity, violence, drugs – are increasingly effects of the brokerage arrangements surrounding the very processes of stabilisation, borderland “development” and expanding state authority that are usually presumed to cure these ills. Drugs and violence are not simply a legacy of armed conflict, state breakdown, and economic marginalisation; they are embedded in the DNA of the modern Myanmar state and frontier capitalism.

Notes

1. Fieldwork interviews between 2012 and 2017 were conducted by the first author. Fieldwork interviews in 2018 and 2019 were conducted by the second author.
2. The career of Yang Kyin Hsiu (Olive Yang) is a notable exception. Born in the Kokang region of northern Shan State, she commanded a militia force of approximately 1,000 soldiers in the 1950s and early 1960s and became a key player in the region's opium trade. Although imprisoned for a period in the 1960s following the 1962 military coup, she was recruited by the Myanmar government in the late 1980s to broker a ceasefire deal with the CPB splinter groups.
3. Table 1 is not an exhaustive list of militias active in northern Shan State, but it does cover the largest groups. Large militias have quite wide areas of influence. For example, almost all militias listed in Table 1 have business activities in the border city of Muse, as well as in other areas of Shan and Kachin State. This location listed for each militia relates to their primary base area. The information presented in this table and the paragraphs that follow is drawn primarily from the authors' fieldwork research (see also Buchanan 2016; Meehan 2015).
4. T. Khun Myat was the Speaker of the Pyithu Hluttaw, the lower house in Myanmar's parliament, as well as the Speaker of the Assembly of the Union, which is the joint assembly of Myanmar's bicameral legislature between August 2018 and January 2021. Although T. Khun Myat is no longer involved in the day-to-day running of the Kutkai militia it is still closely associated with his family, with the leadership having been passed down to him from his father.
5. Interview with Lashio resident, June 2018. This sentiment was repeated extensively in interviews conducted throughout northern Shan State.

6. In 2013, a report leaked from the military's North Eastern Regional Command revealed demands from the Army's Commander-in-Chief for the "total annihilation" of the KIA's 4th Brigade in northern Shan State and the clearance of all armed groups close the main highway connecting Mandalay to the China border (*Shan Herald Agency for News*, August 28, 2013).
7. Interview with senior Kawngkha militia figure, May 2019, Kawngkha.

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