

Working paper

Understanding the drugs policy landscape in Myanmar

How drugs policies and programmes intersect with conflict, peace, health and development

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About Drugs & (dis)order

'Drugs & (dis)order: building sustainable peacetime economies in the aftermath of war' is a four-year research project generating new evidence on how to transform illicit drug economies into peace economies in Afghanistan, Colombia and Myanmar. It is an international consortium of internationally recognised organisations with unrivalled expertise in drugs, conflict, health and development. Led by SOAS University of London, project partners are: Afghanistan Research and Evaluation Unit (AREU), Alcis, Christian Aid, Kachinland Research Centre (KRC), London School of Hygiene and Tropical Medicine (LSHTM), Organization for Sustainable Development and Research (OSDR), Oxford School of Global and Area Studies (OSGA), PositiveNegatives, Shan Herald Agency for News (SHAN), Universidad de los Andes, and Universidad Nacional de Colombia.

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Abbreviations and acronyms

ADB	Asian Development Bank
AHRN	Asian Harm Reduction Network
ASEAN	Association of Southeast Asian Nations
BGF	Border Guard Forces
CCDAC	Central Committee for Drug Abuse Control
CPB	Communist Party of Burma
CPI	Community Partners International
DDTRU	Drug Dependence and Treatment Research Unit
EAO	Ethnic Armed Organisation
GCRF	Global Challenges Research Fund
FPNCC	Federal Political Negotiation and Consultative Committee
INGO	International nongovernmental organisation
JMC	Joint Ceasefire Monitoring Committee
KIO	Kachin Independence Organisation
KMT	Kuomintang
MPSI	Myanmar Peace Support Initiative
MSDP	Myanmar Sustainable Development Plan 2018–2030
NCA	Nationwide ceasefire agreement
NGO	Nongovernmental organisation
NLD	National League for Democracy
ODA	Official Development Assistance
ORP	Opium replacement programme
PNLA	Pa-O National Liberation Army
PrEP	Pre-Exposure Prophylaxis
RCSS	Restoration Council of Shan State
SLORC	State Law and Order Restoration Council
UNAIDS	Joint United Nations Programme on HIV and AIDS
UNDCP	United Nations Drug Control Programme
UNODC	United Nations Office on Drugs and Crime
UNFDAC	United Nations Fund for Drug Abuse Control
UNGASS	United Nations General Assembly Special Session (on the World Drug Problem)
UPDJC	Union Peace Dialogue Joint Committee
USDP	Union Solidarity and Development Party

UWSA	United Wa State Army
WFP	World Food Program
WHO	World Health Organization
ADB	Asian Development Bank
AHRN	Asian Harm Reduction Network
ASEAN	Association of Southeast Asian Nations
BGF	Border Guard Forces
CCDAC	Central Committee for Drug Abuse Control
CPB	Communist Party of Burma
CPI	Community Partners International
DDTRU	Drug Dependence and Treatment Research Unit
EAO	Ethnic Armed Organisation
GCRF	Global Challenges Research Fund
FPNCC	Federal Political Negotiation and Consultative Committee

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Executive summary

In Myanmar's conflict-affected borderlands, there is one constant that links almost all stakeholders in some way – illicit drugs and the economies derived from them. This working paper, researched and written before the military coup of 1st February 2021, explores Myanmar's drugs policy landscape through an analysis of the stakeholders engaged in: national and legal policy frameworks around the production, trafficking and use of drugs; drugs and health; drugs, rural livelihoods and alternative development; and drugs and peacebuilding.

Myanmar's borderlands are major sites for both the production and consumption of opium, heroin and methamphetamines. Drug production is often central to rural livelihoods. For some, drug cultivation is driven by long-standing marginalisation; for others, it is driven by new forms of livelihood insecurity and precarity that have emerged as a result of borderland development schemes. At the same time, drug use is driving new forms of risk, vulnerability, public health crises and social conflict, creating a complex set of challenges. The drug economy has a long history in Myanmar's borderlands and is deeply embedded in rural power structures. All conflict parties are in some way involved; drugs have been rooted in efforts to finance armed conflict and counter-insurgency, as well as to shore up informal political arrangements aimed at stabilising conflict. The deep integration of drugs in borderland economies makes it very difficult to disentangle legal and illegal economies at both sub-national and national level. Drugs have been central to flourishing cross-border economies and are also important sources of investment in the national economy. Drug commodities involve the same actors and move through the same trade networks as legal commodities. As a result, illegal drug revenues have also become an important source of capital in the formal economy.

Against this background, a wide range of stakeholders – international, national and sub-national – engage with drug issues, giving rise to a complex set of narratives that are often at odds with each other.

International focus on drug issues in Myanmar has shifted in recent decades as a result of the fact that few of Myanmar's drugs now reach US and western markets, with the majority going to China, Southeast Asia, Japan and Australasia. China is now the dominant actor in terms of international pressures on drugs production, trafficking and conflict. However, there has been increased engagement by multilateral agencies and international non-governmental organisations (NGOs) in response to the health implications of drug use in Myanmar; for example, multilaterals fund national harm reduction programmes, which are predominantly implemented by international NGOs (INGOs). There was also space for external engagement in the process of the national government revising its drugs legislation, resulting in an amended National Narcotics Law and a National Drugs Policy in 2018. Although international influence shaped an intent to foreground individual and public health as central pillars of a new approach to drugs, the new law fell short of abolishing harsh penalties for drug possession, which in turn rendered much of the language in the new drug policy rhetorical in implementation.

At the national level, the Myanmar government – concerned with preserving national sovereignty – has long been determined to resist external engagement on issues that it sees as domestic. Aid and diplomacy are also relatively weak levers for external influence; aid dependency is low and the government has rigidly resisted external involvement in the country's peace process. These factors have limited the policy space for external engagement on sensitive domestic issues like drugs; government narratives about external actors wishing to engage with the country's drug challenges have often focused on curbing demand for drugs and the supply of precursor chemicals. Tackling drugs in the country's borderlands has been a lower concern for the national government than state-building, counter-insurgency, resource extraction and trade. Drugs have often been integrated into these wider agendas – for example, through tolerance of illegal revenue flows into both the national economy and under-funded local administrations, and to the off-budget revenue of army-backed militias.

At a sub-national level, there are major concerns about the rise of harmful drug use, which for several decades have been a major driver of the country's HIV epidemic. There is also strong resentment towards the impunity afforded to politically connected major players in the drug trade, while policing on drug issues tends to target small-scale users and sellers – leading to people serving long prison sentences for minor offences. Drug narratives are suffused with wider grievance narratives around the neglect and exploitation of ethnic minority populations, to the point that worsening levels of drug harms among ethnic minority populations are viewed in some popular narratives as an intentional military strategy. A case in point is the spread of drug use under the 17-year ceasefire in Kachin State, where such popular narratives are embedded in the rise of local anti-drug activities, especially the Church-based Pat Jasan movement. This significant development in the drug landscape in Myanmar has been highly controversial – critical as it is of both national and international responses to drug issues.

These examples of narratives around drugs from different levels show that there is often a tension across two dimensions: the 'theatre' of drugs interventions, and the lived experiences of people caught up with or connected to drug issues and their borderland illicit economies.

For international actors trying to engage with drug issues in Myanmar, what then are the key areas of consideration that emerge from this stakeholder analysis? The paper concludes that:

1. Domestic drugs policy and practice is rife with disconnects and contradictions.
2. The most influential actors shaping the drug economy are the hardest for international actors to interact with and influence.
3. There are significant tensions between drug production and drug use, as drug production is central to the livelihoods of the poor, but drug use is creating new forms of poverty, vulnerability and social tensions.

4. Drugs are a low political priority for government in the borderlands, but not for local populations, who view drugs as a major issue.
5. Fragmented political authority shapes the possibilities for health-based approaches to drugs.
6. There is a huge local need for more education and support on issues surrounding drugs issues, to address stigma and to support local communities struggling to cope with drug-related harms. At the same time, for locally supported solutions to emerge, there is a need for external programmes to engage more deeply with local narratives, attitudes and beliefs around drugs.
7. Despite hopes that the peace process would open up space to address drugs, there was an absence of discussions around narcotics in the negotiations. Particularly against the backdrop of the February 2021 coup, space to include drugs in a negotiated peace may now be closed.

1. Introduction

After decades of armed conflict and international isolation, Myanmar's 2010 general election appeared as a watershed moment. The new quasi-civilian government embarked upon a series of political and economic reforms and launched a formal peace process in 2011, the first official nationwide peace overture since 1963. These developments inspired hopes that Myanmar was embarking upon what the World Bank dubbed as a 'triple transition': from authoritarian military rule to democratic governance, from a centrally directed economy to a market-oriented economy, and from 60 years of conflict to peace in the country's border areas. Aung San Suu Kyi's landslide election victory in 2015 further inspired hopes that the country was embarking upon a pathway to peace, democracy and prosperity in which international actors could play an important role. All these factors led to a vast expansion in development aid and programmes in Myanmar. In 2011, Myanmar received US\$357 million in development aid (Asia Foundation, 2018). By 2015 this had risen to US\$3.4 billion. In 2013, Myanmar became the world's third largest recipient of aid, a meteoric rise from its 79th position in 2010. Aid per capita rose more than tenfold between 2010 and 2015 (Asia Foundation, 2018).

However, amid these changes there has been very limited engagement with drug issues as part of wider peacebuilding, development and health efforts. This is despite the fact that Myanmar is the world's second largest producer of illicit opium/heroin and one of the major global producers of methamphetamines, and despite the fact that rising levels of drug harm have become a major issue of concern especially in the country's ethnically diverse, conflict-affected borderlands. This working paper aims to provide an overview of key contemporary dynamics, narratives, actors, programmes and policy processes surrounding drug issues in Myanmar. A key finding of this paper is that policy space for engaging with drug issues, especially in the peace process, is highly constricted. In essence, the reasons for this lie in the fact that drugs have become such a sensitive issue because they are not merely confined to rebel and criminal networks beyond the state and the formal economy; drugs are also deeply embedded in systems of borderland governance, ceasefire arrangements, militarised state-building and economic development.

Addressing drug issues has been a lower priority than the pursuit of wider political and economic strategies in drug-affected borderland regions. Indeed, informal agreements around the drug trade have often become an important part of efforts to stabilise armed conflict, consolidate state control and finance local institutions, as well as offering opportunities for profit around these processes. Bitter legacies of colonial rule have also invoked a long-standing and deep-seated distrust among Myanmar's governing elites of external engagement and instilled a strong emphasis upon the sanctity of national sovereignty. This is a history and perspective that the country's elites share with China, which is the most influential external actor in Myanmar. Consequently, there has been strong resistance to any form of external mediation in the country's armed conflict or on contentious issues – such as drugs – that are deemed to be domestic political issues. The fact that the political and economic reforms and the peace process launched in Myanmar

after 2010 are domestically owned and have emerged under the auspices of the country's powerful military elites provides further insights into why there has been such limited engagement on drug issues.

Responding to the health implications of drug use has, however, provided some platforms for more international engagement. Specifically, the significant HIV epidemic among people who inject drugs is widely agreed to be a critical issue impacting health and development across the country. Yet while harm reduction has been endorsed at a national level, the gap between the scale of harm reduction programmatic activity relative to the actual need is vast. Part of this relates to how generally limited health, education and welfare provision is across Myanmar. Systematic underinvestment over many decades has created a failed health system and while levels of investment are creeping up, they remain extremely low. Therefore, the capacity to drive health responses to drug issues is limited by wider structural issues. Another key factor is the limited government territorial control, which means that drug-related health programmes initiated either by the government or through government-sanctioned work (e.g. INGOs) largely take place only in government-controlled areas. This deep spatial inequality in services coverage is often a direct effect of armed conflict.

Myanmar's political system more generally is characterised by the highly centralised nature of the state, where the show (or theatre) of an emerging democratic system prior to the February 2021 coup contrasted with its non-democratic features, which include the overwhelming power the military retains in key areas where state policymaking takes place. Yet the reach of the central state, particularly into the borderlands, is limited and these spatial differences are a hallmark of more general governance and power relationships in Myanmar, including in relation to drug policies and responses. This results in a dynamic between national and international drug policy and programmes that in many ways is a theatre where actors on both sides commit to tackling drugs production and addressing the drug-related health harms, but in reality have a very limited capacity to enact these responses given the lack of state control over significant amounts of geographical territory. It also means that borderland governance has continued to evolve in an ostensibly less structured way but by no means with less intensity. It is in the borderlands that the nexus of armed groups, militias and neighbouring countries such as China meet. Throughout all these dynamics, illicit economies, including those related to illicit drugs, are negotiated and enacted including the negotiations between the central state and the peripheries.

Part 1 of this working paper outlines some of these overarching issues by providing a brief overview of the political economy of the drug trade in Myanmar. The purpose of this section is to outline some of the most salient foundations upon which Myanmar's post-2010 reforms, the peace process, and efforts at international engagement emerged. These insights help to explain why drug issues have remained a largely peripheral issue in policy debates and programmes of both government and international actors. This is despite the significance of drugs to the political economy of conflict-affected borderland regions and the importance of drug-related harms in shaping local perspectives on the possibilities, prospects and priorities for peacebuilding and development.

Following this overview, the rest of the paper addresses four key areas: (1) National legal and policy frameworks surrounding drugs; (2) Drug issues and the peace process; (3) Drugs and health; and (4) Drugs and livelihoods/rural development. This paper is by no means an exhaustive review of these sectors; rather it focuses on the extent to which policies and programmes within these sectors have engaged with drug issues. The paper concentrates primarily on national and international actors and their engagement in policies and programmes operating across Kachin State and Shan State. While we explore the disconnect between national and international actors at the sub-national level, we do not put an extensive focus on the dynamics between sub-national actors.

2. Drugs, conflict and borderland governance in Myanmar: A brief overview

Drugs and conflict, 1948-1988

Opium cultivation has a long history in Myanmar, concentrated in the hill areas of Shan State and parts of Kachin State. These borderland regions are ethnically diverse and represent a complex mosaic of autonomous authorities that have historically never been under the firm control of a single state (Sadan, 2013, 2016; Thant Myint-U, 2020). Since Myanmar's independence in 1948, the country's formal political system has been highly centralised and has been dominated by political elites hailing from the country's ethnic Bamar majority. State-building discourses have sought to make borderland regions and their ethnically diverse populations appear 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 deployment of extreme forms of violence to strengthen state control. These strategies, and the resistance they have evoked from an array of ethnic armed groups, have underpinned the Myanmar's long-standing armed conflict (Smith, 1999; Lintner 1999).

Opium production and trading networks pre-dated the onset of large-scale armed conflict in the 1950s and 1960s, but they expanded significantly through the following decades of armed conflict and became deeply embedded in the political economy of Shan and Kachin states. Opium production in Shan State began exponentially increasing in the 1950s and was used to resource and arm the Kuomintang (KMT) troops who had fled the Chinese civil war. The KMT reorganisation and expansion was seen favourably by a range of actors including Thailand and the USA, who prioritised the KMT's role as a buffer to China's communist expansion over their growing opium production (Meehan, 2011). Opium stood at the intersection of the 'war economy' (financing insurgency and also counter-insurgency activities), the 'coping economy' (becoming crucial to impoverished rural livelihoods) and the 'shadow economy' (attracting a network of entrepreneurs who invested in the drug trade as a means to generate profit) (Goodhand 2004; Chao Tzang Yawngkhwe, 2005). Over time, conflict among various armed groups for control over key opium trade routes and market share added a further dimension to the country's complicated armed conflict, especially across Shan State and the Thai-Shan border region.

Although the opium economy became closely associated with financing insurgency, it also became deeply embedded in various counter-insurgency campaigns led by the Myanmar Army. Throughout Shan State especially, the Myanmar Army has, over the years, supported the formation of a wide array of militia groups. Their involvement in the drug trade enabled these groups to be self-financing, while informal military protection and

access to the legal economy strengthened their buy-in to Myanmar's military-state system. These militias remain active players in the region's drug economy and have also invested in an array of legal business enterprises both within their localities and in places like Mandalay, Yangon and Yunnan.

Drugs also became an issue upon which both ethnic armed resistance movements and the government sought to garner international attention and backing. Successive central governments have sought to tarnish armed resistance movements by implicating them in the drug trade and arguing that the revenues derived from illicit economies is now their main reason for resisting the state. In turn, ethnic armed organisations have long drawn attention to how the drug trade is deeply embedded in processes of militarised state-building. In recent decades, rising levels of drug harm have also created a common narrative among borderland populations that the spread of drugs has become an intentional military strategy – or 'cold war' – to further weaken resistance.

Drugs and ceasefire politics, 1988-2010

Widespread pro-democracy protests in 1988 led to the resignation of General Ne Win who had ruled the country as a military dictatorship since 1962. In his place a new military junta took control. The continuation of authoritarian military rule, the crushing of opposition and subsequent western sanctions created a commonly held conception of Myanmar as a stagnating backwater. Yet, through the 1990s and 2000s, there was a series of decisive shifts in Myanmar's political economy in which the country's drug-producing borderlands were central (Woods, 2011; Meehan, 2011; Jones, 2014). The changing conflict, political and economic dynamics in Myanmar's borderlands through the 1990s and 2000s set the foundations for Myanmar's post-2010 transition and re-shaped the political economy of the drug trade.

The rush to engage in Myanmar following the country's 2010 general election initially out-paced the ability – or willingness – to explore the complex conflict dynamics and political and economic foundations upon which the country's post-2010 transition was based. The brief overview below of the changing conflict, political, and socio-economic dynamics that emerged through the 1990s and 2000s provides an essential starting point for understanding the challenges that have faced Myanmar's post-2010 reforms and peacebuilding efforts over the past decade, and why very little progress has been made in confronting drug issues.

Changing conflict dynamics: After decades of armed conflict, the dynamics of Myanmar's insurgency shifted in the late 1980s and 1990s. The new military government offered ceasefires to most of the country's armed groups, which created a fragile stability in large areas of Kachin State and northern and eastern Shan State. The first of these ceasefires were offered to splinter groups of the Communist Party of Burma (CPB). The CPB had been the country's largest insurgent group with extensive territorial control along the China border, but had collapsed in 1989. Opium cultivation had become widespread across much of the CPB's territory, and the ceasefire arrangements included tacit agreement for these

groups to use the drug trade as a means to finance themselves. Rising levels of opium cultivation through the 1990s were concentrated in ceasefire areas, especially in eastern Shan State. Over time the Myanmar Army capitalised upon the fragile stability created by the ceasefires to pursue a process of prolonged militarisation of contested borderland regions. Through the 1990s and 2000s there was a significant expansion in the number of military barracks constructed across Shan and Kachin states and the number of army personnel stationed in these regions. These units were given limited central government funding beyond basic salaries and were instead required to 'live off the land'. This was a euphemistic term used by central military command to emphasise the need for units to be self-financing. Militarisation thus became associated with widespread abuses, including land dispossession, arbitrary taxation and forced labour. The 'live off the land policy' also encouraged army personnel to seek ways to generate revenue from the country's lucrative illicit economies. In many cases, this was in the form of protection fees, informal payments, and arbitrary taxation of cultivators, rather than direct control over illicit enterprises. However, it nonetheless created strong informal ties between expanding state institutions and the illicit drug economy.

Changing economic dynamics: The military government's ceasefire initiative in the late 1980s/early 1990s was in part inspired by efforts to 'open up' the country's borderlands for trade and resource extraction. The new military leadership installed after 1988 embraced a vision of military-led state re-building and saw the country's resource-rich borderlands as a key tool for strengthening the national economy that had been crippled by near bankruptcy in the 1980s. These aspirations were also motivated by changes beyond the country's borders. In China, government at both central and provincial level in Yunnan viewed improved economic ties with Myanmar as an opportunity to address the growing imbalance between China's rapidly developing eastern coastal regions and the relative underdevelopment of its interior landlocked western provinces. The changing dynamics on both sides of the border resulted in a vast expansion in cross-border trade and inflows of investment into contested borderland regions. Much of this investment was concentrated on logging, mining (jade, gemstones, minerals, rare earth), large-scale agribusiness (especially rubber and fruit plantations) and major infrastructure projects including dams and oil and gas pipelines.

Changing political dynamics: The ceasefires created a 'no peace no war' context across large parts of Kachin State and northern and eastern Shan State. The very ceasefire arrangements that served to reduce levels of outright violent conflict were exposing borderland populations to an array of violent and destructive forces including militarisation, continued counter-insurgency, exclusionary nationalism, dispossession and environmentally destructive development, all of which served to reinvigorate long-held resentment against the central government. It also became increasingly clear that under the ceasefires the balance of power was shifting in favour of Myanmar's military government. This was reinforced by the country's new constitution in 2008, which locked-in military dominance over the political system, and the government's announcement in 2009 that all ceasefire groups were to be absorbed under the Myanmar Army as 'Border Guard Forces' (BGF). Throughout the 1990–2008 period the military government consistently informed ceasefire groups that as a transitional government it had no mandate to enter political dialogue until a new constitution had been enacted. The BGF proposal, however, marked a

clear volte face in which ceasefire groups were now demanded to surrender autonomy prior to any form of political dialogue. The government's position also offered no acknowledgement of – or foundation to engage with – issues of federalism or the systems of governance administered by ethnic armed groups that provide health, education and justice systems to large populations.

For the Myanmar Army, the ceasefire period of the 1990s and 2000s was viewed as largely successful. The army had wrestled a greater degree of control over contested borderland regions than at any time since the country's independence, and the economy was on a far stronger footing (largely due to the expansion of cross-border trade, including oil and gas flows, and borderland resource extraction). The army had expanded significantly in size, weaponry and wealth, and the country now had a new constitution that entrenched military power. The foundations played an important part in encouraging military elites to believe they were in a strong enough position to instigate a political transition, marked in 2010 by the country's first general election for 20 years. In contrast, for the country's ethnic armed groups, this political 'transition' came at a time of crisis in the ceasefire system of the previous two decades. This included: a legitimacy crisis, in which the leadership of various armed groups became tarnished by claims that they were profiting through ceasefire arrangements from the exploitation of the people and environments they claimed to be protecting; a crisis of strategy, as the hope that ceasefire agreements would pave the way for more meaningful political dialogue faded away; and a military crisis, experienced by the increasing pressure ethnic armed groups faced from the Myanmar army.

Changing dynamics surrounding drugs: The 1990s and 2000s witnessed several significant and long-lasting shifts surrounding Myanmar's drug trade. These shifts have strongly influenced the ways in which drug issues have (or have not) been incorporated into Myanmar's current peace process and political and economic reforms since 2010.

First, Myanmar's position within the global and regional drug economy underwent a significant shift. In the 1970s and 1980s much of Myanmar's heroin reached western markets in the US and Europe. However, through the 1990s and 2000s China, Southeast Asia, Japan and Australasia became Myanmar's primary heroin markets. China experienced a rapid increase in levels of heroin use through the 1980s and 1990s and most of the Myanmar's heroin now services this market. Myanmar's heroin production is now of greater concern to China and neighbouring countries than it is to the USA. Indeed, Chinese pressure played an important part in the decision among ex-CPB ceasefire groups along the China border in eastern Shan State to launch opium bans in the late 1990s and 2000s (although these were also in part motivated by efforts to have their leadership removed from US sanctions lists). These opium bans have largely held ever since and created a 'balloon effect' in which levels of opium cultivation expanded across areas of Shan State without a long history of commercial production, including areas under the control of army-backed militias. The opium bans also coincided with a vast expansion in methamphetamine production in Shan State, and ex-CPB ceasefire groups appeared to shift from opium/heroin production into meth production.

Second, the ceasefire period instilled a highly permissive environment surrounding drugs. On all sides of the conflict, tackling the drug trade has been a secondary priority

behind other more pressing strategic aspirations. This has created an environment in which the Myanmar military-state has sought to co-opt the drug trade to fulfil wider state building and counter-insurgency agendas, rather than attempt to dismantle the drug trade in areas that have come under firmer state consolidation. In turn, for both army-backed militias and ethnic armed organisations, generating revenue from the drug economy has often remained a part of ongoing resistance efforts. This has created an environment in which there are strong vested interests on all sides to avoid tackling the drug trade.

Third, drugs became deeply embedded in the emergence of a neoliberal economic system in Myanmar and neighbouring countries. From the 1980s, a new development paradigm of market-led development emerged across Southeast Asia, gradually replacing quasi-socialist and statist models. Across upland areas of Myanmar, Laos, Cambodia and Vietnam, post-socialist models of development focused on ‘opening up’ borderlands to markets and capital. In Myanmar, efforts to promote rapid development and weak regulations against illicit activities and money laundering meant that powerful interconnections emerged between the illegal and legal economy, with heroin being described as the ‘seed capital of the Burmese economy’ (Findlay, 2020; Meehan, 2011).

Fourth, rising levels of drug-related harms have become a defining experience of the ceasefires among borderland populations. Much of the focus of the international community working on drug issues in Myanmar continues to be on stemming opiate production and trafficking to foreign markets. However, many communities throughout Myanmar’s borderlands view rising rates of harmful heroin and methamphetamine use as a more pressing issue than levels of opium cultivation (Drugs & (dis)order 2020). Rising levels of harmful drug use have become closely associated with economic shifts during the ceasefire period, with drug use proliferating in mining and logging areas. The way in which drugs have become embedded in borderland governance structures, described above, has also aroused strong resentment and a sense of powerlessness among borderland populations and a distrust in narratives surrounding ceasefires and borderland development.

Fifth, the dynamics surrounding the drug trade during the ceasefire period have generated a series of competing narratives. The Myanmar government continues to attribute blame to ethnic armed organisations (especially those without ceasefires) while extolling the army’s counter-narcotics efforts. In contrast, a number of exiled research organisations generated an array of well-researched reports on the drug trade that focused primarily on the links between the Myanmar Army and the drug trade. These reports were largely ignored by the United Nations Office on Drugs and Crime (UNODC), which began to produce annual opium surveys in the early 2000s with the permission of the government. The emergence of a ‘blame game’ around drugs made this an issue that was particularly sensitive in the peace process. Counter-narcotics narratives have also become an important legitimising discourse for Chinese investment into both Myanmar and Laos. This narrative was increasingly deployed by provincial elites in Yunnan through the 1990s and 2000s as part of longstanding efforts to convince the central Chinese government to relax border restrictions with Myanmar. Much Yunnan investment has been framed as part of wider opium replacement programmes.

This brief overview of the political, economic and social dynamics that emerged through the 1990s and 2000s provides an essential starting point for understanding the challenges that have faced peacebuilding efforts and borderland development over the past decade and why very little progress has been made in confronting drug issues. These issues are now explored in greater detail in the rest of this working paper.

3. National legal and policy frameworks around the production, trafficking and use of illicit drugs in Myanmar

Concerned by the increase in heroin use across the country in the early 1970s, the Burmese authorities adopted new legislation in 1974 known as the Narcotic and Dangerous Drugs Law. The law set out a series of interrelated actions including the provision of compulsory treatment and severe penalties for drug-related infractions, including the death sentence for certain categories of drug trafficking. To coordinate, design and implement a comprehensive programme under the law, the authorities established the Central Committee for Drug Abuse Control (CCDAC) which was chaired by the Minister of Home and Religious Affairs and included members from across a range of other relevant ministries including Agriculture, Health, Education and Social Welfare. Although Yangon authorities had received counter-narcotics support from the USA, CCDAC began a process of engagement with the United Nations Division of Narcotic Drugs and with the United Nations Fund for Drug Abuse Control (UNFDAC). These engagements resulted in an agreement with the UN and the adoption of a five-year work plan from 1976 to 1981, costed at US\$6.5 million, which was largely paid for by the government of Norway (Khant, 1985; Zealey, 1981). While this effort was official, set up and established centrally, the limited reach of the central government into the major drugs-producing regions in the borderlands was always going to challenge the ability to operationally implement programmes initiated under the national law.

The integrated programme of work officially focused on several areas: 1) enforcing the ban on growing opium through crop eradication, 2) support for the development of alternative crops, 3) mandating the registration of people who use drugs to undergo detoxification and rehabilitation, and 4) the mobilisation of a nation-wide drug prevention campaign focused across media, communities and schools. Although the data is highly contested and impossible to corroborate, according to official Government of the Socialist Republic of the Union of Burma figures, by 1981 the authorities had eradicated a reported 41,000 acres of opium predominately from Shan State, had planted 46,000 acres of alternative agricultural consumption crops in Shan State (mainly rice paddy and maize) and despite chronic long-term under-investment in health systems had developed a network of treatment and rehabilitation clinics in many urban centres around the country supported by health professionals and social workers (Khant, 1985; Zealey, 1981). In addition to these efforts but not covered by the programme, the Burmese military reported it was increasingly becoming involved in the identification and destruction of clandestine heroin producing laboratories in areas controlled by insurgent groups. These efforts were primarily supported by the USA but also supported by regional neighbours, including Thailand who cracked down on the movement of precursors associated with heroin production. The government was applauded by the UN and the USA for embarking on and implementing its programme, although the challenges of geography, agricultural practices and accessing insurgent areas were widely recognised. Throughout this entire period, however, there was ongoing and

overwhelming evidence of Burmese military involvement in all aspects of the drugs trade (Overholt, 1989). In addition, during this time, the Burmese military were actively operating brutal counter-insurgency operations against a range of opposition groups throughout Shan State, resulting in significant human rights violations across both armed organisations and local populations alike (Cline, 2009; Meehan, 2015). None of this stopped the UNFDAC programme from being funded for a further five years.

By the mid-1980s, however, it was becoming clear that controlling drug production and use in Burma was challenging. The Burmese military embarked on further efforts to eradicate the production of opium, using aerial herbicides in large swathes of the geography across the Golden Triangle with support from the USA. The US support for the counter narcotics programme was estimated in 1987 to be US\$11 million (Gray, 1987). Despite these efforts, authorities estimated that by 1987, over 900 tons of opium could be harvested that year, resulting in significant production and trafficking of the class A heroin known as S4. The extent of eradication efforts – with support from the USA – put Burma's issues with its growing armed insurgencies into the spotlight. The prevailing narrative was that insurgents were reportedly fuelling their acquisition of arms with profits from the illicit drugs trade (Gray, 1987). Yet the Burmese military were using US support for counter narcotics operations – and the cover that it provided – to conduct its violent counter-insurgency programmes in Shan State, where it appeared that aerial herbicides were affecting local food production and causing widespread harm to humans and livestock. It was also clear that many of the opium fields in Shan State were spared aerial spraying as a result of formal or informal deals with the Burmese military (Mirante, 1989).

The Myanmar military government's brutal crackdown on pro-democracy protests in 1988, its failure to honour the result of the 1990s General Election and ongoing accusations of human rights violations isolated Myanmar from the international community who had implemented wide ranging sanctions on Myanmar. The USA withheld its counter narcotics support for several years after 1989, and by 1992 the US State Department reported that drugs production and trade had doubled since the State Law and Order Restoration Council (SLORC) came to power (Human Rights Watch, 1983). In 1993, under international pressure to respond to narcotics production and fall into line with the UN Drug Conventions, the SLORC introduced the Narcotic Drugs and Psychotropic Substances Law (1993) on 27 January.¹ The government claimed that the new law was intended to control the production, possession, trafficking and use of illicit narcotic drugs and psychotropic substances. Between 1992 and 1996, the SLORC embarked on a series of efforts aimed supporting its narrative around drug eradication in its border areas. They established the Ministry of Border Areas and National Races and Development Affairs in 1992 to develop a border area strategy that involved all of its main line agencies. It was premised on two priorities and its official aims were: 1) to eradicate drugs production and trade as a national duty, and 2) to improve the social and economic lives of people living in the border areas. To demonstrate the government's commitment to countering narcotics, the eradication of poppy fields began to escalate significantly. The government of Myanmar also partnered with the USA in implementing ten opium eradication surveys, which showed a significant

¹ For the full text of the Narcotic Drugs and Psychotropic Substances Law (1993), see: <http://displacementsolutions.org/wp-content/uploads/THE-NARCOTIC-DRUGS-AND-PSYCHOTROPIC-SUBSTANCES-LAW-1993.pdf>.

decrease in areas under opium production from 165,600 hectares in 1993 to 30,888 in 2004. A similar monitoring programme in Shan State and the Wa Special Region in partnership with the United Nations Drug Control Programme (UNDCP) showed a halving of the hectares under opium production, from 81,400 in 2002 to 44,200 in 2004 (UNODC, 2005).

Yet the heavy focus on eradication and law enforcement was having no effect on the number of people using drugs, which was steadily increasing through the 1990s. This was further brought into focus by the high prevalence of HIV among people who were injecting drugs. In response to the HIV problem, the government of Myanmar endorsed harm reduction programmes as part of its National HIV/AIDS Strategy in 1996; however, needle possession by non-medical personnel was still criminalised under the 1917 Burma Excise Act (Kramer, 2016). The continued application of the 1993 drug law meant that people who used drugs – who did not mandatorily report themselves to authorities for treatment – were commonly arrested by the police. This resulted in Myanmar's prison population being largely made up by people detained for between three and five years for minor drugs possession or suspected drug use charges.

The rhetoric of drug control and eradication by the central government was not matched by the reality on the ground, particularly in the peripheries of Myanmar's east and northeast borderlands where the central government's reach was limited. As a result, Myanmar's semi-autonomous border areas were essentially unaffected by national drug laws, and by 1996 a range of actors had begun escalating the production and trafficking of methamphetamine tablets. Further evidence of the theatre of counter-narcotics efforts was the confirmation that CCDAC was embarking on an ambitious 15-year drug elimination strategy in 1999 in line with the region's vacuous aspirational commitment to a drug-free Association of Southeast Asian Nations (ASEAN) by 2015. The widespread emergence of methamphetamines alongside heroin was creating a dual security and health issue for Myanmar and highlighted the clear need to begin a process of reviewing the 1993 Narcotics Law. The drug law review process began formally in 2010, when CCDAC and UNODC held a joint workshop in Naypyidaw. In framing the meeting, CCDAC cited changing drug trends, persistently high rates of HIV among people who used drugs, and the limited geographical reach of harm reduction programmes as rationale for reviewing and amending the 1993 Narcotics Law to ensure it could better respond to the public health implications of drugs in Myanmar.²

A number of consultations followed and included discussions and reviews from a range of organisations with expertise in harm reduction, HIV and public health.³ In 2014, these organisations released an executive summary of recommendations for the amendment of the Myanmar 1993 Narcotic Drugs and Psychotropic Substances Law. There were four main recommendations put forward by the working group to support the amendment:

Creation of a legal framework for harm reduction and an effective HIV response.

² For more information see: www.unodc.org/southeastasiaandpacific/en/2010/04/drug-related-legislation/story.html.

³ Organisations who contributed to the review process included Drug Policy Advocacy Group, WHO, Open Society Foundations (OSF), the Law Enforcement and HIV Network (LEAHN), TNI, UNAIDS and UNODC.

Removal of compulsory registration and treatment requirements.
Decriminalisation of possession of small quantities of drugs for personal use.
Alternative sentencing and judicial authority.

These recommendations sought to bring the 1993 law further in line with global drug law norms that increasingly recognised individual and public health as key cornerstones of drug law development.

Despite these significant efforts, the newly amended version of the 1993 Narcotic Drugs and Psychotropic Substances Law, enacted by the Union Parliament and released on 14 February 2018, did not resolve many of the critical issues that advocates had described. Particularly, while the amended law abolished prison penalties for using small amounts of drugs, it did not decriminalise possession, which meant that users and primary poppy producers would still face automatic prison terms and undermined the very intent of the law reform process (Transnational Institute, 2018). Almost simultaneously, CCDAC released its National Drug Control Policy, which provided a harm-reduction framework and placed a cross-cutting human-rights-centred perspective on all matters related to drug production and use. The document complied with the International Drug Conventions and the Sustainable Development Goals as well as being informed by the approach of the United Nations General Assembly Special Session on the World Drug Problem (UNGASS) 2016 (Government of Myanmar, n.d.). The inconsistencies between the two pieces of legislation have not been resolved.

So, while the intent of the legislation seemed to suggest that law enforcement efforts would be focussed on larger drug producers and traffickers, this has not transpired. There has in fact been a continued and exponential increase in the production of illicit drugs, particularly methamphetamines, (ICG, 2019) and a continued crackdown on people who use drugs. Conservative estimates reveal that at least half of the people in Myanmar's overflowing prison system are incarcerated for drug-related offences (Frontier Myanmar, 2019). Part of the reason for the continued focus on small-time users and dealers is that they are more accessible to Myanmar's police force, who are able to extort money from the people they arrest, leaving these people in a perpetual cycle of arrest, incarceration and re-arrest (Jensema & Nang Pann Ei Kham, 2016).

The other major reason is the inability (or unwillingness) to make any real headway into dismantling an illicit drugs production and trafficking industry that is deeply entangled in Myanmar's complicated political situation between the central state and its many different regions, particularly the borderland regions of eastern Myanmar where drugs production is embedded. The military, along with a majority of the recognised ethnic organisations and their armed wings, often strongly deny involvement in drugs production and trafficking in Myanmar, despite the myriad historical accounts of their engagement in the trade (Buchanan, 2016; SHAN, 2016). Many of the country's large ethnic armed organisations (EAOs) have sophisticated and extensive administrative structures covering an array of sectors including health, education and justice. A number of EAOs also have departments within them dedicated to tackling drug issues. For example, the Kachin Independence Organisation (KIO) established its Drug Eradication Committee in 1993. In 2010, the KIO declared drugs to be the Kachin people's 'principal and worst destructive enemy'. The KIO

Drug Eradication Committee was subsequently restructured and granted the authority to:

1. Totally ban growing opium in KIO administrative areas.
2. Check for drug trafficking, trading and storage, and take serious action.
3. Send all drug users to drug eradication camps for proper medication.
4. Provide capacity-building programmes (especially agriculture and livestock) for ex-drug addicted people (Transnational Institute, 2012).

The KIO Drug Eradication Committee has also conducted its own opium surveys across Kachin State and northern Shan State. The Restoration Council of Shan State (RCSS) carries out an array of drug activities, including treatment centres, drug eradication, and drug seizures. In 2012 the RCSS established a dedicated Department of Drug Eradication to manage these activities, headed by Lt. Col. Sai Harn. This is often termed the RCSS Anti-Narcotics Committee.⁴ Numerous other armed groups, including the Palaung State Liberation Front/Ta-ang National Liberation Army, also appear to conduct regular anti-drug activities.⁵ These are often primarily focused on drug seizures.

In these complex semi-autonomous borderland geographies, political and economic interests across a number of actors can merge with organised crime groups and create environments conducive to the production and trade of illicit drugs (Idris, 2019). One of the implications of increasing drugs production is the increasing availability and use of drugs by local populations. The health and social implications of drug use have been the stated reasons for efforts to push national drugs policy to be more focussed on reducing the health harms associated with drug use. In a policy sense, the push from a focus on criminalisation to health-based responses to drugs has been advocated for and strengthened by the growing sophistication and engagement of evidence-based drug policy advocates. Harm reduction programmes continue to expand into new geographies, mainly funded by international donors but approved by central authorities. These, together with the National AIDS Program under the Ministry of Health and Sports, are increasingly engaging in research activities to develop a Myanmar-relevant evidence base to support a continued health response to drug use. However, not all actors in Myanmar are supportive of a harm reduction approach, and zero tolerance to drug use remains normative among many communities. Examples of this include the ongoing efforts to build community-wide support for harm reduction programmes in Kachin State (MDM, 2019). Harm reduction programmes have been operating in parts of Kachin State for well over a decade but are not fully supported by the community.

⁴ Details of the organisation's activities can be found on the Department's website: www.rcssanc.org/en/.

⁵ See: Phyu Phyu Ko. (2013). The War of PSLF/TNLA on the drug trade and their National Liberation Duty, May 26, 2015: <http://en.pslftnla.org/the-war-of-pslftnla-on-the-drug-trade-and-their-national-liberation-duty/>.

4. Drugs and health

Introduction

This section explores the nexus of drugs and health in Myanmar through a synthesis of the peer reviewed literature, the grey literature, and an analysis of major stakeholders who engage in the intersection of drugs and health. While illicit drugs production and its entanglement with conflict has been widely documented, there has been much less exploration of the dimensions of drugs and health in Myanmar. These dimensions include the role of illicit drug production in supporting household income and, by association, health and livelihoods, as well as the direct impact of drugs on individual and public health outcomes. The analysis briefly reviews the historical drugs and health literature before examining current dimensions of health and drugs, to inform possible opportunities for the Drugs & (dis)order project to engage with stakeholders across the drugs and health interface in Myanmar.

It bears reminding that this section is set against a background where although there has been some reduction in opium production, drug production (particularly of methamphetamine) has continued to increase in Myanmar since the formal peace process was launched in 2011 (Karen Human Rights Group, 2014). This increase in drug production has been supported by the ongoing militarisation and organisation of a complex array of armed groups, who safeguard drug production through a range of power dynamics and relationships, and prosper financially from the drugs trade (Lahu National Development Organisation, 2016). Putting a perspective on the nexus of drugs and health in Myanmar is made more difficult by the overarching challenges to population health in Myanmar and the dysfunctional state of its health system. Many people living in the eastern Myanmar still do not have access to basic primary health care facilities and investment in health and the human resources for health in these areas is limited (Parmar et al., 2015). The ongoing sensitivities surrounding drug production and its economy in Myanmar limit the ability of local stakeholders such as health programmes operated by, or linked to, EAOs to develop a locally relevant evidence base from which to drive health interventions (Purkey et al., 2019).

Background

There is very little written in the peer-reviewed literature about the context of drugs and health prior to the early 1970s, when it became clear that the transition from opium cultivation to heroin production in Myanmar was resulting in an increase in the number of younger people being admitted to hospital with heroin addiction. Scholars suggest this transition to heroin use followed the changes to policy that banned the sale of opium in 1965. Significant increases in levels of heroin addiction in the early 1970s, led to the adoption of the Narcotic and Dangerous Drugs Law, which applied severe penalties for

drug trafficking and punishment for people who used illicit narcotics (as discussed in Section 1) (Khant, 1985). The growing use of illicit drugs led to the establishment of the CCDAC in 1976, which oversees all issues related to drugs; in the context of drugs and health, this included the treatment and rehabilitation systems in Myanmar (see Section 1). CCDAC attempts to enact this authority through a range of established national sub-committees and drug abuse control committees at regional/state, district, township, ward and village levels across Myanmar (Myanmar Country Report, 2019), although given the historical (and indeed current) lack of geographical reach of central government it is difficult to comment on this authority.

Historically, through this diffused presence, CCDAC sought the active participation of the whole community in identifying people who used drugs who would then be registered for compulsory treatment. CCDAC established the first two large comprehensive centres in 1982 to provide in-patient treatment for people considered drug addicts aged between 16 and 40 years of age (Myanmar Country Report, 2019).⁶

While the use of heroin was beginning to be considered a major health issue for the country, the use of opium was still considered to be a traditional medicine for many people in Myanmar, especially across many of the populations who occupied and moved across the mountains between Thailand and Myanmar. A 1978 exploration of opium use among hill tribes highlighted three main health-associated uses of opium: as a therapeutic drug, in response to illness and pain; as a psychoactive drug, in response to insomnia or acute stress or anxiety; and a drug for recreation (Suwanwela et al., 1978).

The focus on the nexus of drugs and health in Myanmar sharpened significantly as HIV among people who injected drugs escalated in the late '80s and early '90s. In 1992, it was estimated that Myanmar had 160,000 people injecting drugs, and HIV prevalence estimates among this population varied from 50% to 85% (Gammelgaard, 1992). The expanding heroin production in northern Myanmar, the trafficking of heroin from the Golden Triangle across Southeast Asia and the transition to heroin injecting across the region meant that the drugs and health nexus in Myanmar had significant implications for the spread of HIV across the region (Beyrer et al., 2000). In response, the World Health Organization (WHO) placed injecting drug use and HIV in Asia on the agenda of a large regional meeting in Thailand in 1991, with the objective of preventing a transition towards drug injecting in countries in the region where drugs were still largely inhaled (Gammelgaard, 1992). While there was a significant need for health responses to injecting drugs and HIV, there was also an increasing body of literature suggesting that addressing the regional risk of HIV and drug use would require political solutions to the ongoing conflicts in Myanmar, in which drug production and trafficking were entangled (Ford, 1990).

From 1991 onwards, HIV infection among people who inject drugs was the most referenced and predominant health and drug use narrative in Myanmar and the region (Sehgal, 1991; Gammelgaard, 1992). The issue did, however, continue to draw focus on significant human rights and security issues in the region that had their origins in Myanmar, such as human

⁶ For more information see U Khant (1985). Measures to prevent and reduce drug abuse among young people in Burma. United Nations Office on Drugs and Crime: www.unodc.org/unodc/en/data-and-analysis/bulletin/bulletin_1985-01-01_2_page012.html#f06.

trafficking and drug trafficking. In 1992, one study reported on the intersection of human trafficking, Burmese migrant fisherman, heroin and HIV through a study documenting the situation of Burmese women trafficked into prostitution in the Thai fishing town of Ranong (Lintner, 1999). Reportedly locked in brothels, the high rates of HIV among the women were attributed to the widespread heroin use among Burmese fisherman during lengthy periods at sea, who would then visit the brothels when they docked. The authors also documented the reported killing of female sex workers by the military government when they were returned to Myanmar from Ranong under the pretext of preventing the spread of HIV in Myanmar.

By 1995, HIV infection rates among people injecting drugs in Myanmar were extraordinarily high, including 74% in Rangoon, 84% in Mandalay, and 91% in Myitkyina, which was the Kachin state capital located close to the Myanmar-China border (Beyrer et al., 2000). The identification of HIV among people who injected drugs in Yunnan Province, China, and its reported origins from Myanmar (AIDS Weekly, 1994), had already prompted a significant reaction from China, who announced they would implement a US\$58 million dollar investment in a 'disease prevention belt' along the border with Vietnam, Laos and Burma. It was to combine health surveillance with security through the construction of numerous border posts established to prevent and respond to HIV and other infectious diseases (Tomlinson, 1996).

Some seminal work into the links between narcotics production, trafficking and HIV across the Asia region has highlighted the spread of distinct subtypes of HIV along drug trafficking routes emerging out of different drug production areas in Myanmar, namely the Kokang hills of Shan State, the eastern Shan hills, the Wa Region and Kachin State (Beyrer et al. 2000). The authors concluded that single-country narcotics and HIV programmes were unlikely to succeed unless the regional narcotic-based economy was addressed. The authors recommended that increased information sharing across public health and narcotics control agencies in the region may assist both sectors to address issues of drug trafficking and HIV spread.

By 2000 the diversification of drug production in Myanmar through the large-scale expansion of methamphetamine production was beginning to add a significant dimension to the drug and health nexus in the region. Multiple studies in Thailand began reporting the large increase in the use of methamphetamine by young Thais with an associated increase in the number of methamphetamine-related admissions to drug treatment centres in Thailand. While the widespread availability and use of methamphetamine among people in Myanmar was noted in several UNODC reports from 2005 to 2012, there is very limited health-orientated research that explores methamphetamine as a health issue in Myanmar. The research that does exist is largely focused on the use of methamphetamine among female sex workers in border areas along the Myanmar–China border (Hail-Jares, 2016), although there are also some large cross-sectional studies that highlight prevalent methamphetamine use among young people in Lashio. The UNODC estimates that there are up to 300,000 drug users in Myanmar.⁷ The 2017 Integrated Biological and Behavioural Survey estimated that there were 93,000 injecting drug users in Myanmar with a HIV

⁷ See: www.unodc.org/docs/treatment/CoPro/Web_Myanmar.pdf.

infection rate of 21% among people who use drugs and 14% of people who use drugs who were HIV positive were on anti-retroviral therapy (Integrated Biological and Behavioural Survey, 2017).

Interventions at the nexus of drugs and health

This section explores the current mix of interventions at the nexus of drugs and health. It focuses on the health dimensions of a number of interventions enacted by a range of stakeholders in response to drugs in Myanmar, from drug production to drug treatment, harm reduction, and law enforcement.

Drug production and health

While the intersection of drugs production, eradication and alternative development is covered elsewhere in this paper, there are specific issues pertinent to this section on drugs and health. In 2006, the Palaung Women's Organisation released a report exploring issues of the health and human rights impacts associated with the increased opium production in northern Shan State. The report describes how opium production collapsed other agricultural markets such as tea and how that in turn led to local farmers turning to opium growing or working in opium fields. This combination of events reportedly increased opium addiction among Palaung men, leading to a host of negative health and community outcomes (Palaung Women's Organization, 2006). In contrast, the sudden implementation of major opium bans launched by the United Wa State Army (UWSA), Mongla and Kokang authorities had significant implications for health and livelihoods and placed upwards of 90% of the population of some of these areas into food insecurity (von Lampe, 2010). In the context of alternative development, multiple reports highlight how rapid eradication in pursuit of alternative development has not allowed sufficient time for markets to develop. This has resulted in either an ongoing reliance on opium, or to food and economic insecurity, which has had negative implications on the health of communities. Some researchers have argued that this is especially pertinent when alternative development has not been accompanied by investments in – and access to – health or education for people affected by opium eradication programmes (Anderson, 2017).

Drug treatment and health

Prior to 2006, drug treatment mainly came in the form of compulsory and institutionalised detoxification for people considered dependent on opiates. In 2006, CCDAC, with the support of the WHO, approved the development and implementation of methadone maintenance therapy, with four centres initially set up in Yangon, Mandalay, Lashio and Myitkyina. However, the National AIDS Program's 2014 Integrated Biological and Behavioural Survey estimated lifetime use of methadone was under 20% for people who injected drugs (National AIDS Program, 2014), indicating low coverage and difficult access to methadone therapy for many people who injected drugs in Myanmar. Since 2014, there have been significant efforts to integrate a range of HIV testing and treatment services through the methadone maintenance centres. The methadone programme has expanded

significantly, and the government now provides methadone maintenance treatment in 51 health centres across the country. According to a 2017 annual report from the Drug Dependence and Treatment Research Unit (DDTRU), which oversees aspects of drug treatment on behalf of the Ministry of Health, a large majority of government-run drug detoxification and methadone maintenance centres are located in Sagaing, Kachin and northern Shan State (Drug Dependence and Treatment Research Unit, 2017). Yet, in 2018, it was estimated that methadone use among people who injected drugs was still about 20% (Tun et al. 2018). Methadone is not universally available across the country and its availability is dictated by the estimated number of people who inject drugs in an area. As a result, locations such as Taunggyi in Shan State do not have methadone availability as there is considered to be insufficient numbers of people who inject drugs residing there.

In 2016, CCDAC devolved responsibility for drug treatment across two ministries – the Ministry of Health, which implements the detoxification and methadone maintenance programmes, and the Ministry of Social Welfare, Relief and Resettlement, which implements rehabilitation programmes for people who have been through the hospital-based detoxification. The rehabilitation component is a six-week programme where participants receive counselling, sports, arts, meditation and vocational programming, although recent analysis suggested that these services are limited terms of quality and coverage, and in some cases are not operational at all (Jensema & Nang Pann Ei Kham, 2016). The DDTRU has presided over recent reviews of methadone therapy and drug dependency treatment guidelines, as well as developing guidelines for the management of methamphetamine-use disorders in Myanmar. The methadone programme currently works in partnership with UN agencies, the National AIDS Program, and local and international non-government organisations.

The DDTRU only reports on official national government sanctioned drug treatment, but there is a parallel informal approach to drug treatment run by some communities, particularly in ethnic states such as Kachin and Shan. In Kachin State, for example, the Kachin Baptist Convention created a ‘peoples war on drugs’ called the Pat Jasan movement, which has seen some community members deeply committed to eradicating drugs from Kachin State (Dan et al., 2021; Sadan et al., 2021). This has included efforts to eradicate poppy fields and forcing people who use drugs into community-supported drug detoxification centres (Government of Australia, 2019). These are often based on evangelical abstinence models, and do not meet the UN’s guidelines for health and evidence-based drug treatment (Lomethong and Walsh, 2019). There is some evidence of people who use drugs either being recruited into military training camps run by ethnic armed groups in Kachin and Shan states, or using the ethnic armies as places to spend time withdrawing from drugs (Child Soldiers International, 2014).

Harm reduction

Harm reduction programmes were approved in Myanmar in 2004 and have expanded significantly over the last 15 years. In 2009, the UN released technical guidance with nine core components, offering a comprehensive package of services for the prevention, treatment and care of HIV among people who inject drugs. This was adopted by the National AIDS Program of the Ministry of Health in Myanmar, which issued ‘National

Guidelines: A core package for HIV prevention amongst key populations in Myanmar' in 2014 (Government of Myanmar, 2014). One component of the core package is the provision of harm reduction programmes, which provide both centre-based and outreach support to people who use drugs, including providing sterile needle and syringes. The programmes are run by local and international NGOs who work closely with government agencies in delivery. They are increasingly multi-component programmes that integrate HIV testing and treatment and act as gateways into methadone therapy. However, even with a government willing to support harm reduction services, the magnitude of the drug use problem is stretching programme capacity (UNAIDS, 2020).

Although there is political will, and financial resources are available, implementing programmes in geographical areas where there is an urgent need remains an ongoing challenge. One of the major challenges remains the stigma and discrimination faced by people who use drugs and the resistance to harm reduction, especially needle–syringe programmes, at the local level from local populations and faith-based anti-narcotic drug groups such as those in Kachin State, who raise concerns about the role that syringe distribution plays in facilitating drug use (MDM, 2019). These concerns have been exacerbated by, sub-optimal implementation of harm reduction programmes, which has led to difficulty generating widespread community support. Despite these challenges, harm reduction implementers in Myanmar continue to drive innovative programmes designed to reach more areas and people in need, as well as remaining on the forefront of international harm reduction developments, such as the trialling of peer-based naloxone delivery to prevent and respond to opiate overdoses (EuroNPUD, 2019, 14-15). A Pre-exposure Prophylaxis (PrEP) trial among people who inject drugs is also set to commence in 2021 in Kachin State, and will involve key stakeholders from the National AIDS Program, the Department of Medical Research, USAID and their programme implementer Community Partners International (CPI), as well as harm reduction organisations such as the Asian Harm Reduction Network (AHRN).

Criminalisation and the enabling environment to support service provision for people who use drugs

In 2015, a Joint United Nations Programme on HIV and AIDS (UNAIDS) report suggested that the enabling environment for harm reduction was decreasing while a transition to democratic processes and freedom of expression was rising (UNAIDS, 2015). The suggestion was that long-held views, perceptions, discriminations and assumptions about drug use and people who use drugs were now being more openly expressed across Burmese society. Despite the legality of harm reduction and significant drug policy reforms supporting a health-based approach to drug use, there remains a significant criminalisation of people who use drugs, which has negative implications for health. Myanmar's prisons are overcrowded with people who have used drugs who are sentenced to lengthy jail terms. Prisons have a very limited capacity to provide basic health needs for prisoners, and almost no capacity to deliver drug treatment programmes. In 2012, some efforts were made to explore and develop the role of the police as partners to HIV and harm reduction programmes through UNODC-supported training programmes, but these programmes have been limited by the lack of development partner support. While Myanmar's national drug policy foregrounds health for people who use drugs and aims to 'build safe and healthy

communities by minimizing health, social and economic harms' there is a vast gap in the implementation of those policies by police on the ground, and arrest rates of people who use drugs remain very high (Tin Htet Paing, 2017). There are currently significant attempts to address the community level environment in which health interventions to drug use issues take place, particularly in Kachin State, through a multi-partner project funded by USAID.⁸

⁸ More information available at: www.cpintl.org/usaids-hivaids-flagship-uhf-project.html.

5. Drugs and livelihoods/rural development

Introduction

While rich in natural resources such as water, minerals and forests, the UN estimated in 2017 that 24% of Myanmar's population live in poverty with a further 20% vulnerable to slipping into poverty (Myanmar Living Conditions Survey, 2017). Further, while poverty is concentrated in populations living in rural and mountainous areas such as many of the people living in Shan State (Mohanty et al., 2018), increasing economic activity in expanding border towns on the Myanmar–China border has led to net migration to the border areas (Boutry, 2020). Part of the reason for this is that traditional western-led development aid in Myanmar, which focuses on poverty alleviation, education and health, is a relatively small component of a more complicated overall development. While aid commitments totalled US\$13.7 billion in 2011–2015, foreign direct investment in the same period was approximately US\$27.6 billion (Asia Foundation Report, 2018).

Much of this foreign direct investment was channelled through large investments in resource extraction and infrastructure – particularly from borderlands and countries neighbouring Myanmar including China, India and Thailand or those in the wider region, such as Vietnam (Bissinger, 2012). To guide development assistance, the government of Myanmar released its Myanmar Sustainable Development Plan 2018–2030 (MSDP), which it framed to resonate with the world's Sustainable Development Agenda (Government of Myanmar, 2018). Myanmar's aid and development sector is, however, very much split across these two competing strategies: traditional, largely western-funded official development aid (ODA) programmes, and large-scale foreign direct investment, led by China and other neighbouring countries. Myanmar's borderlands are a meeting place for these competing western and Chinese rural development models, and their differences are acutely highlighted in how they approach alternative development and livelihoods in the context of drugs.

Western development practice in Myanmar delivers assistance through development programmes aimed at improving health, education, governance, and infrastructure, mitigating climate change, creating jobs, developing agriculture and aquaculture industries, supporting human rights and enhancing gender equity, to name some of the focus areas. However, in reviewing the MSDP and some of the associated donor strategies such as those from the Asian Development Bank and the World Bank, the words 'drugs', 'eradication' or 'alternative development' are barely mentioned. Even donors such as Denmark, who explicitly describe a focus on livelihoods and food security as part of their rural development strategies, do not explicitly mention alternative development or drug production replacement programmes (Government of Denmark, 2015). In the context of western-led development practice in Myanmar, this indicates the persistent disconnect

between the traditional development agenda and the drug-related alternative development agenda in the context of drugs and development assistance in Myanmar. This disconnect is partially demonstrated by the delineation of stakeholders engaged in these differing 'development' agendas, with UNODC largely assuming coordination of the western-supported 'alternative development' portfolio of programmes, together with their national partners at the CCDAC.

In 2017, the UNODC released a report looking at resilience to poppy farming in Shan State and the implications for alternative development, peace and stability. The study found that about one in ten villages of the 591 villages surveyed in Shan State were engaged in poppy cultivation, which was generally done in small plots of around 0.6 hectares. The report also highlighted some basic development indicators of villages who grew poppy versus those who did not. Villages who did not grow poppy were more likely to have greater access to asphalt roads and local markets, were more likely to own their land and were more likely to have access to a health clinic than villages who did grow poppy.

Furthermore, poppy production was less likely to occur if the village perceived a level of peace, security and good governance (UNODC, 2017). The report, however, appears to justify the combination of legally enforced eradication and alternative development practices in response to drug issues, but only speaks of law enforcement enacted on opium farmers rather than those higher up the commodity chain.

Furthermore, a potential contradiction underlying the report is that it acknowledges that 'poppy-growing villages' are poorer, with fewer services and greater marginalisation – but the focus on the need for 'developing' these regions (to include alternative development, law enforcement, and service provision) underplays the role that poppy cultivation plays in helping households to alleviate poverty. This is mentioned in some places (e.g. opium revenue to pay for food etc.) but the sub-text of the messages coming out of this report seems to be that providing development to these regions can then justify a focus on drug eradication. This overlooks the fact that 'development' doesn't benefit everyone equally or reach every area, and leaves a perpetual question at the drugs and development nexus: what to do about the role that opium plays in alleviating poverty?

A brief history of alternative development in Myanmar

In 1976 a Bulletin of Narcotics article described early efforts to transition 'semi-nomadic' ethnic peoples inhabiting the Golden Triangle away from the single crop dependence on opium despite opium meeting all of their needs for the livelihoods of their families. The theory was that by force of example and some investment in agricultural research there would be a net cumulative effect to transition people from single cropping to mixed farming methods. Noting the enormity of the challenge, the article cited the geographical difficulties in accessing these areas and the centuries-old dependence on opium cropping (Nepote, 1976). Since these initial beginnings, 'alternative development' in northern Myanmar has become complicated by the range of different actors involved and the motives and ways of

implementing these programmes.

Although complicated and difficult to delineate in some ways, there have been a few differing approaches to the spectrum of work collectively and generally now known as ‘alternative development’, which in many ways is a catch-all phrase that encompasses rural development, opium eradication and poverty alleviation. The UNODC has helped facilitate a large portion of these approaches, which take in the bilateral efforts of European, US, Thai and Japanese partners. Over the decades, the UN and its partners have increasingly sought to place engagement with local communities and support for their livelihoods at the centre of programme design, although this has evolved over time in line with development practices of community inclusion. However, these programmes only operate with the permission from the government and the activities of these programmes in drug-producing areas are subject to close government monitoring.

The majority of alternative development programmes have been targeted in southern and eastern Shan State, where most of the country’s opium is produced. The complexities inherent in reducing dependence on opium production through alternative development were really highlighted through the UNODC/Wa project that began in 1997–98, established to work with the Wa authorities to support their stated desire to be opium-production free by 2005. An evaluation report of the project noted that the ‘Project objective was to establish a sustainable, community-based approach to the reduction and eventual elimination of supply and demand for opium in the Wa Region’. The project was assigned an initial budget of US\$15,492,075.

Given the relative lack of presence of the government of Myanmar in the Special Wa Autonomous Regions, which persists to this day due to agreements reached between the United Wa State Army (UWSA) and the Tatmadaw in the 1989 ceasefire, the UNODC found itself working closely with the Wa authorities and largely in isolation from the central government in the implementation of the programme (Renard et al. 2003). While project activities were originally linked to opium eradication, the project evolved over time with some commentators suggesting that the Wa authorities used the project to essentially engage in state building in relation to infrastructure such as roads. Large numbers of people were moved from mountainous areas to more fertile valleys suited to rice production, which became a large focus of the project. This was driven by the recognition that without opium to trade, many subsistence farmers would face food insecurity – which they duly did – and the World Food Program (WFP) ended up having to provide emergency food aid due to the near starvation caused by the opium bans. Furthermore, widespread opium bans and heavy enforcement across the Wa, Kokang and Mongla geographies only contributed to further food insecurity in many areas outside of the Wa/UNODC project’s remit as well. Since 2012, the largest donors to UNODC’s attempts to promote alternative development have been Finland and Germany, who initially contributed resources to support the development of alternative agricultural crops in opium-growing regions of Shan State. Cultivating an estimated 600 hectares of land formerly used for opium cultivation in Hopong, near Taunggyi, these efforts have largely supported coffee planting since around 2014, with coffee seen as a high value and sustainable cash crop. In 2015, with the support of an expert in establishing community cooperatives, and through an agreement with the national government’s Ministry for Cooperatives, community members from over 40 villages

in the surrounding area involved in the coffee project formed the Green Gold Coffee Cooperative (UNODC, 2015). In 2018, the Finnish and German governments extended their support for the UNODC project for an additional four years, with a 6.1-million-euro contribution (UNODC, 2018). The UNODC were aware that such a small project would not dent Myanmar's opium harvest but envisaged that the 'boutique' project would show that such schemes could be successful as a way to attract further funding and government support.

In 2013 – and in parallel to the Green Gold coffee project – USAID's Value Chains for Rural Development in Burma programme contracted a US-based international development contractor called Winrock to support communities in Myanmar to grow coffee. The model was aimed at producing better quality coffee beans than the Green Gold coffee beans, for sale into higher value international coffee markets. The project was accused of luring people away from the UNODC project cooperative, which Winrock denied despite a photo shoot of the US ambassador planting a coffee plant in the same geography as the UNODC Hopong Coffee project (Guckelsberger, 2019). Winrock pursued a different model to the UNODC coffee substitution programme by focusing on supporting farmers to produce specialty coffee rather than producing for the mass coffee market, in which they argued Myanmar farmers would struggle to compete. The Winrock project drew to a close at the end of 2019, but claims to have supported thousands of smallholder farmers to engage in the nascent coffee industry in Myanmar.⁹ Independent observers note that while the coffee export industry has grown in Myanmar, much of the coffee is not being sold into high-end markets but ending up being traded on the Chinese border for substantially lower prices that would be available on the open international markets (International Growth Centre, 2019).

China and its opium replacement programme

In response to the threat of opium production in Myanmar and its implications for heroin trafficking and use in China, the Chinese government has engaged in an opium replacement programme in Shan State that some authors argue is driven by both geopolitical and geo-economic reasons, and an ongoing desire by China to assert itself in the border areas between itself and Myanmar (Su and Lim, 2019). Since around 2006, China has implemented a form of alternative development through its Opium Replacement Programme (ORP). This scheme supports Chinese companies to invest in northern Myanmar and Laos, with a particular focus on large-scale agriculture, especially rubber plantations.

By participating in the ORP, Chinese companies are able to obtain much-coveted licenses to import agricultural products into China (subject to quotas), as well as exemptions from tariffs and import VAT (TNI, 2012; Shi, 2008; Su, 2015). As of 2015, more than 200 Chinese companies had participated in the scheme and were responsible for agricultural

⁹ See: <https://winrock.org/an-early-adopter-in-myanmar/>.

plantations on more than 200,000 hectares of land in Myanmar and northern Laos, a figure that far surpasses the amount of land actually under poppy cultivation (Su, 2015, 79).

China's market-oriented approach does not provide direct support to opium cultivators to grow other licit crops and in this way it differs from western models of alternative development. Rather, it aims to reduce opium cultivation as part of a wider strategy of borderland development focused on agribusiness expansion, infrastructure, and state consolidation in border areas (Lu, 2017). This logic behind this strategy is that it will facilitate sustained economic growth and create new employment opportunities in the legal economy that will alleviate poverty and draw people away from illicit opium cultivation.

Although the narrative of counter narcotics has been long used by various actors to engage in the borderlands of Myanmar, it is clear from the actions of many of the Yunnan companies that the ORP had very little to do with reducing levels of opium production. They saw the ORP as an opportunity – the scheme offered highly sought-after licenses to import foodstuffs into Chinese markets and various forms of subsidies and tax breaks. It also became a way of lobbying the Chinese state to relax border restrictions and to open up Myanmar's borders to Chinese investment. These companies have little interest in opium substitution – the land they now farm on far exceeds the amount of land used for poppy cultivation, and most investments have been targeted in areas of lower elevation and have in fact intensified competition for land and resources in Myanmar's borderlands.

While rubber production has in many ways been linked with the Chinese ORP, it has also been driven by the government of Myanmar's Ministry of Agriculture and Irrigation's 30-year master plan (2000–2030), which aims to promote large-scale estate mono agriculture production, especially rubber. This vision has been supported by long-standing national legislation under the Land Acquisition Act of 1894, whereby land could be forcibly acquired in the national interest (Kenney-Lazar, 2016). As of 2018, more than a million hectares of land along the border had been acquired for agribusiness ventures by Chinese investors, ironically forcing many small landholders off their land and back into the production of opium poppies as a food security and economic survival response (Woods, 2018b; Meehan 2021).

The opium survey and alternative development

The annual opium survey is a collaboration between UNODC and CCDAC, and is a crucial tool to support the design and implementation of alternative development programmes (UNODC, 2019). In 1996, the total area under opium poppy cultivation in Myanmar was estimated at over 160,000 hectares, mainly concentrated in Shan State. By 2019, the UNODC estimated that the total area under cultivation was 33,100 hectares. Since 1996, there has been a steady decline in areas under poppy cultivation, reaching a low of just over 20,000 hectares in 2006, which was driven by a series of opium bans in eastern Shan State implemented in Mongla since 1997, the Kokang region since 2003 and in Wa State since 2005 (TNI, 2005). From 2007 to 2014, there were incremental year on increases in production to a high of 60,000 hectares in 2014. Since 2014 the annual opium surveys

report a gradual fall in levels of cultivation. Although 85% of opium production is still estimated to occur in Shan State, the 2019 estimate noted small decreases in areas across Shan State from the previous year, but a 15% increase in production in Kachin State. However, the politics surrounding the analysis conducted in the opium survey are significant. In response to the 2018 survey, several ethnic armed organisations criticised many of the assertions that opium was being produced in territories controlled by ethnic armed groups, and instead made counter claims that opium production was concentrated in territories controlled by militia groups aligned with the Myanmar Army (TNI, 2019).

Conclusions

Thailand first began to blend opium eradication with alternative development in 1969 inside its borders with the Golden Triangle. The programme, which became known as the Royal Project, has long been heralded for its ability to eradicate opium and work with communities to transition away from opium growing and into alternative crops and other forms of agricultural production. The key to the success of the programme has been put down to its long-term resourcing, which has often meant underwriting and subsidising the replacement agricultural products so farmers can benefit from a degree of certainty along the production to sale spectrum. These efforts, however, were also partnered with significant law enforcement strategies that included the use of satellite imagery, aerial surveillance and on-the-ground eradication of poppies. Between 1984 and 2004, the programme resulted in a reduction of opium production on Thai soil from 8000 hectares to 200 hectares (Aramrattana and Pitaya, 2006). Perhaps the real key to the success of the programme in Thailand was the shift of opium production from Thailand into Shan State that resulted from the Thai law enforcement efforts, as demand for opium in Thailand did not substantially alter. The Thai example is often held up as the gold standard in how to sustain long-term transitions away from opium growing, but the reality is that these efforts in Thailand remain heavily subsidised.

Critics of alternative development in Myanmar argue that it has been significantly under-resourced and has only been capable of reducing short-term food shortages for some communities where programmes have been enacted. UNODC's capacity to scale is also limited by its relatively low presence in Myanmar compared to, say, Colombia. Yet the ability to scale and sustain alternative development in Myanmar is also limited by the complicated geography and the long-term involvement of illicit drugs in the economies, livelihoods and power dynamics in contested areas of Myanmar. Given the vast development needs of Myanmar and the political obstacles to meeting the development needs, including seeing an end to armed conflict and a genuine attempt at sharing the benefits of the vast natural resources across the population in Myanmar, alternative development as a response to opium production will not in itself be successful.

The Myanmar Opium Farmers' Forum was established in 2013 to give voice to smallholder opium poppy farmers. Seven years on they describe a series of challenges that many of them have spent decades living with: the lack of access to markets, the inability to make enough resources from alternative crops, the persistent presence of conflict, dispossession

of land, the role of opium in their livelihood, culture and medicinal practices, and their lack of agency in policy debates surrounding opium production and eradication (Statement from the 7th Myanmar Opium Farmers' Forum, 2019). Ultimately the scale of alternative development and development in general has not been sufficient to see livelihood gains for the thousands of people involved in small-scale poppy production and forcing opium eradication without first ensuring livelihoods are protected is doomed to fail (Felbab-Brown, 2017).

Since the 1990s, Myanmar's borderlands have been increasingly integrated into regional economies and global commodity chains. The significance and impact of western-led rural development programmes is much smaller than the wider processes of rapid agrarian change, which are driven by inflows of foreign direct investment that in turn increase competition for land and resources. As a result, and contrary to the premises of alternative development, drug cultivation is not something confined to marginalised areas 'left out' of development. It is also a response to populations facing worsening livelihood insecurity as a result of wider development processes and borderland development interventions – something entirely ignored in current policy debates on drugs and development (Meehan, 2021; Woods, 2020). This challenges the narrative that drug use and production are caused by marginality/lack of development and requires a more critical focus on forms of 'immiserating development' in which the poorest hardly benefit.

The other major gap in the literature is that there has been almost no research at all on how drug use affects rural livelihoods. The focus on drug issues and development remains entirely around production, despite the high levels of concern among rural populations regarding worsening drug-related harms and the fact that drug use is now deeply embedded in rural economies, especially around labour practices. This includes drug use being linked to increased productivity in labour-intensive jobs, payment for labour in drugs, incapacitation from drug use, and young people being sent away from drug-affected rural environments.

6. Drugs and peacebuilding in Myanmar

The following section analyses Myanmar's peace process, since its launch in 2011 and prior to the recent February 2021 coup, and the intersections between peacebuilding and drug issues. It provides a brief overview of how the peace process has been structured, key events and turning points, and the extent of international engagement, before assessing the extent to which drug issues have been incorporated into the formal peace process and wider peacebuilding efforts.

The peace process in Myanmar since 2011

In November 2010, Myanmar held its first general election for 20 years. The election was boycotted by the National League for Democracy (NLD), the country's largest opposition movement, as well as a number of other political parties, notably the Shan Nationalities League for Democracy, which had been the second largest party in 1990. The army-backed Union Solidarity and Development Party (USDP) won a landslide victory and Thein Sein, a former army regional commander, became the country's president. As per the 2008 constitution, 25% of all seats in both the upper and lower houses were reserved for military nominations. Following the election, Thein Sein's USDP government announced a range of political and economic reforms, and in August 2011 the government invited the country's armed groups 'to secure lasting peace'. This marked the first official nationwide peace overture since 1963.

However, the launch of the country's formal peace process coincided with some of the worst fighting in the country's borderlands for more than 25 years, concentrated in Kachin State and northern Shan State. New insurgencies have since emerged, internally displaced persons now number in the hundreds of thousands, and there are continued reports of systematic abuses and human rights violations in conflict-affected areas.

Much external engagement with Myanmar's peace process was based upon the assumption that opening up political space at the centre – through supporting the country's democratic transition, Aung San Suu Kyi, and the national-level peace process – would provide the foundations for peacebuilding throughout the country's borderlands. However, this approach failed to account for how the same dynamics that facilitated the launching of the peace process at the national level – especially the Myanmar military's belief that they were in a strong enough position to manage this process on their own terms – constrained opportunities to address the drivers of conflict in Kachin and northern Shan State.

Decades of armed conflict had created complex and fragmented dynamics across the country's borderlands with around 20 active EAOs of varying size, territorial reach and with different relations to the government. Some organisations had longstanding ceasefires, for others, ceasefires had recently broken down, while in some cases there was no history of previous ceasefires arrangements. The government initially sought to establish bilateral

ceasefire arrangements with armed organisations and then shifted focus towards reaching a nationwide ceasefire agreement (NCA). However, the worsening armed conflict in northern Shan State and Kachin State and the recent history of ceasefires that never led to meaningful political dialogue meant that progress towards the NCA was slow. Eight EAOs did eventually sign the NCA in October 2015. Two large EAOs – the RCSS and the KNU – signed the NCA with the remaining six signatories being small armed groups. The majority of those that signed the NCA are based close to the Thai border across Shan and Karen State – areas where ceasefires in the 1990s and 2000s had been largely absent. The NCA thus helped to cement a fragile stability along the Thai border that had emerged since the bilateral ceasefires agreed with the KNU and RCSS in 2011/2012. In contrast, many of the country's largest EAOs, most of which are based close to the China border in eastern and northern Shan State and Kachin State, refused to sign. Although some groups maintained bilateral ceasefires with the government, violent conflict has continued across much of this region throughout the formal peace process, after years of fragile stability under the previous ceasefire arrangements.

Overview of the nationwide ceasefire agreement (NCA)

The NCA is a 12-page document that was signed between the Myanmar government and ten EAOs in October 2015. Two further EAOs signed the agreement in February 2018. Some of the core parts of the NCA are outlined below:

Basic principles

All signatories recognise the territorial integrity of the state and to 'establish a union based on the principles of democracy and federalism', embracing diversity in a 'secular state'.

**This is the NCA's only mention of federalism. EAOs had wanted the inclusion of the phrase 'establishing a federal union based on ethnic national states' and a commitment to 'establishing a federal army' but both phrases were rejected by the government.*

Ceasefire monitoring

The NCA established a 'Joint Ceasefire Monitoring Committee'. This Committee has become known as the JMC. It contains 10 representatives of the NCA-signatory armed groups, ten government representatives (including Myanmar military) and four independent civilians. There are also sub-national JMCs at both the state level and local level.

Military code of contact

All signatories agreed to abide by a 'military code of conduct'. This prohibits certain military activities including attacks, further recruitment, landmines, and establishing new bases. There are also vague provisions about monitoring troop deployment and troop movements. The NCA also provides a commitment to protect civilians and provide humanitarian assistance.

Political roadmap

There is agreement to ‘begin an inclusive political dialogue process ... with an aim of achieving just and sustainable peace’, and to establish a Union Peace Dialogue Joint Committee (UPDJC). The NCA sets out a seven-stage roadmap:

1. Signing the NCA
2. Drafting and adopting the ‘Framework for Political Dialogue’ to be led by the UPDJC
3. Holding national political dialogue
4. Holding a Union Peace Conference
5. Signing of peace accord
6. Ratification of the peace accord by parliament
7. Implementation of the peace accord.

Interim arrangements

In the period between signing the NCA and completing the political roadmap, the NCA sets out certain tasks to be implemented in the ‘interim period’. The NCA allows armed groups to exercise authority in their areas of control in relation to security, development, services, environment conservation and cultural promotion. All NCA signatories are also removed from the government’s list of unlawful associations and are allowed to receive aid from Myanmar and international donors for regional development and capacity-building projects.

Aung San Suu Kyi’s landslide election victory in the 2015 general election created renewed hopes and levels of international support for the country’s reforms and peace process. Suu Kyi stated that achieving peace was her government’s first priority and that she would personally lead the process to ‘build up a genuine, federal democratic union’. However, the peace process has made little progress over the past five years. No new large EAOs have signed the NCA, armed conflict continues in many of the country’s ethnic states, especially in Rakhine State, Kachin State and Shan State, and political dialogue has made scant progress has been made on addressing many of the more intractable challenges underlying the country’s myriad conflicts. The February 2021 military coup has marked the final collapse of the peace process. However, even in the years prior to the coup the peace process had been moribund as it struggled to overcome a series of difficulties, some a legacy that Suu Kyi’s government inherited, others exacerbated by the new NLD government:

- 1. The NLD government inherited a complex and stagnating peace process:** the NLD effectively inherited a triple-track peace process: (i) advancing the NCA process by embarking on the political roadmap with NCA signatories; (ii) efforts to convince non-signatories to join the NCA and political dialogue; and (iii) addressing the ongoing armed conflict in northern Shan State and Kachin State.
- 2. Tensions at the heart of government between the NLD and the Myanmar military:** Under President Thein Sein, the government negotiation team effectively comprised both civilian and military wings. Under the NLD, there was now a disconnect between peace negotiations led by the NLD and by Suu Kyi personally, and the Myanmar military who remained the de facto authority that EAOs had to deal

with on the ground.

3. **Weak capacity within the NLD:** Serious questions have been raised regarding the capacity of the government's National Reconciliation and Peace Centre to lead the peace negotiations, epitomised by Aung San Suu Kyi's decision to appoint her personal physician as chief negotiator. Under Suu Kyi, government peace negotiations increasingly prioritised formal talks over informal dialogue, shutting off some of the ways in which relations between the government and EAOs had been built under the Thein Sein government.
4. **Aung San Suu Kyi's miscalculation in her own moral authority as a mediator:** Aung San Suu Kyi appeared to view herself and the NLD as a neutral force between the military and EAOs. However, this proved to be 'a fundamental misreading of how many ethnic minorities perceive the party and government more broadly, dominated as they are by ethnic Burmans' (International Crisis Group, 2020). Aung San Suu Kyi's praise of the military, her high-handed and haughty manner, and the government's failure to address ethnic grievances hardened attitudes against her government amongst EAOs.
5. **Fragility of the NCA:** The mechanisms set out in the NCA to mitigate conflict, facilitate political dialogue and to deliver a ceasefire dividend through the 'interim arrangements' soon proved weak and became an issue of increasing frustration and resentment rather than a platform for trust building.
6. **The NLD's waning interest in the peace process:** The NLD's fundamental priority since taking office has been to change the country's constitution and thus dismantle the military's entrenched control over the political system. Part of the initial prioritisation given by the NLD to the peace process was seemingly linked to its belief that the political roadmap set out by the NCA would provide a means through which to pursue constitutional change. However, as the peace process stalled and the complexity of reaching a peace settlement became apparent, the NLD shifted tactics, seeking (and failing) to instigate constitutional change instead through parliament, and prioritising other goals. Momentum on the peace process began to dwindle.
7. **The Rohingya crisis:** The profound violence enacted by the Myanmar military in 2017 against the country's Rohingya population in Rakhine State caused widespread international outcry. Aung San Suu Kyi's subsequent refusal to provide a strong lead in condemning the violence caused further international outcry. The subsequent escalation in armed conflict across Rakhine State and rising tensions between the government and international actors has created further challenges to the country's peace process.

By 2017 the peace process had clearly stalled and had 'entered a phase of crises, deadlock and setbacks' (Burma News International, 2018). In April 2017, seven EAOs that had not signed the NCA formed the Federal Political Negotiation and Consultative Committee (FPNCC) to advocate for an alternative approach to the NCA. The peace process faced a

further crisis in May 2019 when the two largest EAOs that had signed the NCA – the KNU and the RCSS – announced they were suspending their participation in peace negotiations, citing the lack of progress, a loss of trust in the government, and worsening clashes with the Myanmar Army.

In August 2020, the government convened the much delayed fourth session of Union Peace Conference-21st Century Panglong. The conference concluded with delegates signing the Union Accord III.¹⁰ This comprised agreement on 15 points under the framework agreement on implementing the NCA, a vague and broad agreement on next steps following the 2020 general election, and agreement on five ‘Fundamental Principles to Establish a Union based on Democracy and a Federal System’. It is notable that no FPNCC members attended the latest Union Peace Conference (21st Century Panglong) in August 2020. The peace then entered a period of hiatus due to the country’s 2020 General Election. Any hopes that the new NLD government would be able to reinvigorate the peace process were dashed by the military coup in February 2021. In the months that have followed, the military has deployed brutal violence as part of efforts to stamp out widespread opposition. The coup has also exacerbated tensions with EAOs and in the months since the coup there have been renewed outbreaks of violence throughout the country’s conflict-affected borderlands. The coup is seen by many of the EAOs as vindicating their scepticism in the post-2010 political system and their distrust in the Myanmar military’s motivations surrounding the peace process.

International involvement in the peace process

Myanmar’s peace process was home-grown and the government strongly resisted formal involvement of international mediators. There was no form of international monitoring, peacekeeping forces, or post-conflict reconstruction. The government’s decision to embark upon a period of political and economic reforms since 2010 (including the peace process) was underpinned by a belief that it was now in a strong enough position to manage such a transition on its own terms. Central to this was a strong view amongst political and military elites of the need to insulate the country from the disruptive influence of external – especially western – intervention. This sentiment has grown stronger following the international condemnation of the government’s treatment of the country’s Rohingya population.

It is also important to acknowledge the fact that development aid remains a small component of Myanmar’s national budget. According to data compiled by the Asia Foundation between 2011 and 2016, aid accounted for approximately 4–6% of the national budget. This is substantially lower than neighbouring low-income countries such as Laos (21.2%), Cambodia (32.3%), and other countries involved in this Global Challenges Research Fund (GCRF) research, such as Afghanistan (more than 60%). Remittance flows provide a similar value to aid and foreign direct investment is more than double aid flows. Of the total aid that was pledged to Myanmar between 2011 and 2016, only a small amount

¹⁰ The Union Accord III text is accessible here: www.nrpc.gov.mm/en/node/470.

– 1.3% to 3% – has been directed to support the peace process (Asia Foundation Report, 2018). More than 80% of this funding has been routed through national projects, largely to support multi-donor peace funds and national level research and advisory programmes.

As a consequence of these factors, international mediation in the peace process has been limited, especially among western powers. China is the most important external actor and holds significant influence with both the government and the country's most powerful EAOs, most of which operate along its borders and some of which have longstanding historical and cultural ties with China. Relations with the Thein Sein government became tense following the government's decision to suspend the Myitsone Dam project, the spillover of violence and refugees following Myanmar Army offensives along the border, and concerns regarding increasing US influence. Under Aung San Suu Kyi, China has taken a more overt role in the peace process. Partly this is because Suu Kyi sought to improve the bilateral relationship with China, while the souring of relations with western powers following the Rohingya crisis has enabled China to once again become Myanmar's pre-eminent defender within the UN. The armed conflict in northern Shan State is also concentrated in a highly strategic region for the China–Myanmar Economic Corridor, which forms a key component of the Belt and Road Initiative. Stability in this region appears to be China's primary concern and while it is supportive of the country's peace process, it has positioned itself as a facilitator rather than a mediator and has avoided attempts to push the peace process or set the agenda. China's powerful influence with the Myanmar government has also played an important role in limiting the influence of the US and other western powers in the peace process. As the Myanmar scholar, Thant Myint-U, has surmised of China's approach, 'fighting was bad, but the wrong kind of peace could be worse' (Thant Myint-U, 2020). It is also important to note that China is not a monolithic actor, and there are tensions and differing priorities for engagement between central government and provincial elites in Yunnan, with the latter keen to prioritise maintaining trade and investment opportunities despite ongoing armed conflict.

Amongst western actors, Norway initially played the most prominent role in trying to support the peace process. It led the Myanmar Peace Support Initiative (MPSI) that was headed by Charles Petrie and operated between 2012 and 2014. The MPSI aimed to support – and test the resilience of – the country's ceasefire process by supporting an array of small-scale projects in conflict-affected areas that were designed to build trust and confidence around the peace process and deliver peace dividends in ceasefire areas.¹¹ Norway also founded the Peace Donors Support Group, out of which grew the Joint Peace Fund. The latter has 11 donors: Australia, Canada, Denmark, the European Union, Finland, Germany, Italy, Norway, Switzerland, the United Kingdom, and the United States. It provides pooled funding to support the peace process with a budget of approximately €100 million and is expected to operate until at least 2021.

Although external actors have had limited influence over the formal peace process negotiations, numerous governments and multilateral donors funded a wider array of peacebuilding activities. These have included: (i) support to facilitate the negotiations (e.g. advice to government and EAOs, financing the Myanmar Peace Centre); (ii) funding to

¹¹ For a detailed overview of MPSI's work see: www.mmpeacemonitor.org/1444.

support the implementation and monitoring of the NCA (e.g. funding to support the JMCs); (iii) conflict analysis, often aimed at improving the conflict sensitivity of foreign direct investment and wider development interventions; (iv) initiatives to promote wider civil society dialogue, inclusivity (especially among women, youth, and marginalised groups), trust, and understanding surrounding the peace process. Section 5.4 provides an overview of some of the key actors and programmes that have aimed to support wider peacebuilding efforts.

Drugs and peacebuilding

The fact that all sides of the conflict are in some way linked to the drug trade has discouraged efforts to confront this issue beyond broad and banal statements. The decades prior to the 2011 peace process saw an ongoing blame game between the government and EAOs over who was responsible for the country's drug trade. In light of the fragility of the peace process, priority was given to trying to maintain momentum rather than adding further challenges to the agenda. Thus, there remained a vast disconnect between concerns of borderland populations on drug issues and the potential for the peace process to address these concerns. The information below highlights the limited ways in which drug issues were brought into formal peace dialogue. It also assesses failed efforts to use joint counter-narcotics programmes, as a way to build trust between the Myanmar Army and the EAOs. It then draws attention to the continued politicisation of narratives surrounding drugs and the challenges this has posed to engaging with drug issues.

Drugs and formal peace process

The NCA: The 2015 NCA makes one mention of drugs:

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a. The Ethnic Armed Organizations that are signatories to this agreement have been responsible in their relevant capacities, for development and security in their respective areas. During the period of signing ceasefire and political dialogue, we shall carry out the following programmes and projects in coordination with each other in said areas.

...

(6) Eradication of illicit drugs

...

c. The government and the individual the Ethnic Armed Organizations shall coordinate the implementation of tasks that are specific to the areas of the respective Ethnic Armed Organization.

The fact that drug eradication was placed under the NCA section on interim arrangements appears to frame drug issues as being specific to areas under EAO control. However, this issue has not raised significant debate or discussion. This is perhaps unsurprising in light of the failure to operationalise the interim arrangements and the wider challenges facing the NCA.

Drugs in the Union Peace Conferences and Union Accords: Since 2016, the NLD government convened a series of peace conferences, termed Union Peace Conferences – 21st Century Panglong, in an attempt to facilitate political dialogue. Four such conferences were held: in August/September 2016, May 2017, July 2018 and August 2020. The latter three conferences resulted in agreement on various points comprising Parts I, II, and III of an ongoing ‘Union Accord’. Drug issues are mentioned in Parts I and II of the Union Accord:

Union Accord, Part I, Social Sector Agreement (29 May 2017):

(4) To prevent and fight against the drug trafficking by laying the plan and implementing it considering the task a national issue pertaining to politics, security and rule of law.¹²

Union Accord, Part II, Addendum (c) Social Sector basic principle agreement (16 July 2018)

6. Establish and conduct effective policies against harm reduction, treatment and reintegration of drugs and psychotropic substance usage¹³

However, in light of the wider sets of challenges that faced the peace process, little progress had been made on addressing these issues.

Failed engagement on drug issues amidst the peace process: The tripartite agreement between the RCSS, the Myanmar government and the UNODC

One of the only instances where concerted efforts were made to engage with drug issues alongside peacebuilding came early in Myanmar’s peace process. Following the state-level ceasefire between the Thein Sein government and the Restoration Council of Shan State (RCSS) in December 2011, the UNODC brokered an agreement between the government and RCSS to co-operate on alternative development projects in the townships of Mong Nai and Mong Pan in southern Shan State. The plan was to conduct a joint needs assessment followed by crop-substitution pilot projects before scaling these up to a wider region. The UNODC was to be responsible for providing technical assistance and securing funding from international donors. The agreement also provided the RCSS with responsibility to run drug-awareness campaigns among local populations. However, the project never materialised. According to an official statement released by the RCSS,¹⁴ long delays were followed by the Myanmar government CCDAC’s refusal to engage with the RCSS. This was followed by attempts from another government wing – the Military Affairs Security – to actively block RCSS involvement in the joint needs-assessment. The final straw appeared to be the failure of the government to inform or invite the RCSS to a visit of the US and EU ambassadors to the proposed alternative development sites in December 2013 arranged by the UNODC.

¹² The text of the Union Accord Part I is accessible here: www.nrpc.gov.mm/en/node/226.

¹³ The text of the Union Accord Part II is accessible here: www.nrpc.gov.mm/en/node/225.

¹⁴ See: http://rcssanc.org/pdf/RCSS_drug_analysis_in_English.pdf.

Another major reason for the failure of the project was the lack of agreement regarding security arrangements in the proposed project areas. The nine-point agreement brokered by the UNODC acknowledged that security issues in the project areas would be presented to higher authorities and that the RCSS had requested that security in these areas would be the joint responsibility of the RCSS and the government. However, the government rejected this proposal, stipulating that the RCSS would be unable to carry weapons in these areas.

The UNODC had hailed the initiative as a new, multi-million-dollar peace initiative scheduled for 2014–2017. However, by early 2014 the project had collapsed. Subsequent renewed armed conflict between the Myanmar military and the RCSS (despite ceasefire agreements being in place) has limited scope for such plans being resurrected.

Renewed tensions around drug narratives: UNODC's 'Myanmar 2018 Opium Survey'

There has long been a 'blame game' around drug issues with the Myanmar military and EAOs blaming each other. In the few instances where drugs had been discussed in early years of the peace process, emphasis has been given for the need for all sides to work together. However, the UNODC's 'Myanmar Opium Survey 2018' report generated significant controversy by making specific – and erroneous – allegations against certain EAOs. The report stated that the highest density of poppy cultivation was located in areas controlled by certain ethnic armed organisations, including the KIO in Kachin State and the Pa-O National Liberation Army (PNLA) and the RCSS in southern Shan State. The report failed to acknowledge that the areas of highest opium density in Kachin State are regions under the control of army-backed militias and in areas under government control close to military barracks. In southern Shan State, the report seems to have confused the PNLA with a different armed group – the Pa-O National Organisation – which had a longstanding ceasefire with the government and whose armed wing had transformed into an army-controlled militia in 2009. The report provoked angry responses from both the KIO and the RCSS, outraged at the highly partisan tone of the report and the basic errors it contained (KIO Central Committee, 2019). The KIO subsequently produced its own report surveying opium production across 19 townships in Kachin State and northern Shan State. The report found more than double the level of opium cultivation recorded by the UNODC survey of the previous year, much of it in areas ostensibly under government control or army-backed militias. This incident reveals how little policy space has emerged over the past decade to address drug issues and suggests that the current situation surrounding contested drug narratives is now closer to the situation of the 1990s and 2000s rather than the optimism of the early years of the peace process.

Wider engagement on the drugs issues and their relationship to armed conflict and peacebuilding

Despite the lack of engagement on drug issues in the formal peace process, several organisations have sought to emphasise the importance of drugs to wider understandings of the political economy of Myanmar's armed conflict. Notable examples include:

Transnational Institute, which has for many years provided in-depth and ground-breaking analysis of the country's ethnic conflict, drug issues, and wider development challenges

especially in relation to land issues and democratisation; **International Crisis Group**, which has a strong interest in drug issues in Myanmar and emphasises the importance of incorporating drug issues into political economy analysis of the country's armed conflict and the challenges of peacebuilding; **The Asia Foundation**, which conducts extensive research on conflict-related issues, including a 'Peace and conflict in Myanmar Discussion Paper Series'; various civil society organisations have produced periodic reports on the intersections between drugs, armed conflict and the peace process since 2010, including **SHAN, Lahu National Development Organisation, Kachin Women's Association of Thailand, Pa-O Youth Organisation, and Palaung Women's Organisation.**

7. Conclusion

This working paper has explored the issues and stakeholders around illicit drugs in Myanmar – and especially its borderlands – across the fields of drug policy, health, development and peacebuilding. It highlights that illicit drug economies are embedded in Myanmar's complex governance structures and power relations.

By reaching a nuanced understanding of how drug issues cut across these areas, the Drugs & (dis)order project seeks to advance opportunities to engage a range of stakeholders with the findings of its research in Kachin and Shan states. In doing so it contributes to relevant debates and supporting policy and programmes based on an understanding of the complexities of illicit drug economies. In conclusion, we identify several key points for further consideration.

1. Domestic drugs policy and practice: Rife with disconnects and contradictions

Despite amended national drugs laws and policies which state that individual and public health are cornerstones of a national drugs approach, people who use drugs and subsistence drugs cultivators bear the brunt of drug policies and face the constant threat of arrest.

The limitations and inequities in how drugs policy frameworks and legislations are enacted at the local level create significant tensions. Local communities see the pervasive availability of drugs, and experience the health and social implications of widespread use, yet the production, trade and profit in illicit drugs seem immune from enforcement. The only visible law enforcement efforts target users and small-scale poppy farmers, resulting in a recursive cycle of arrest, incarceration or compromised livelihoods. The result is that the harms from drugs disproportionately affect the most marginalised populations, while simultaneously excluding them from any of the benefits derived from the profits from illicit economies.

2. The most influential actors shaping the drug economy are the hardest for international actors to interact with and influence

China is the most significant international actor in Myanmar's borderlands, with complex economic, security and geopolitical interests. Other influential actors that are hard for international actors to reach include the Myanmar Army, army-backed militias, ethnic armed organisations and various Chinese actors (government, security forces, businesses at both the state and provincial level).

Other stakeholders – such as western governments and INGOs – are much easier to reach and interact with, but they themselves are grappling with the challenges of how to have an influence on issues of peacebuilding, drugs, public health and livelihoods.

3. Significant tensions between drug production and drug use

There remain major tensions and trade-offs in places where drug cultivation is essential to livelihoods, but where drug-related harms are substantial. Here, drugs both mitigate and exacerbate poverty and vulnerability. This presents a substantial challenge to any efforts to achieve alternative development or harm reduction.

4. Drugs: A low political priority in the borderlands

Drug issues have always been afforded a lower priority than other issues in drug-producing borderland regions.

Counterinsurgency, state-building and opening borderland regions for resource extraction, trade and development have always been bigger priorities and the drug trade has often become embedded within these activities. This has resulted in a major disconnect between concerns over drug-related harms among borderland populations, and the willingness and ability of Myanmar's political system to address these concerns. This disconnect is likely to grow further following the February 2021 military coup.

5. Fragmented political authority shapes the possibilities for health-based approaches to drugs

Kachin State and Shan State are characterised by highly fragmented political authority. In these places, the very actors needed to exert influence in support of health-based approaches to drug issues – Tatmadaw, army-backed militias, EAOs and Chinese actors – are the hardest to reach and influence.

International actors concerned with responding to the HIV epidemic, largely driven by injecting drug use, have channelled their support through large multilateral organisations like the Global Fund, which work through the national government. Implementation of such programmes thus becomes caught up in the geographical limits of state control, or in the challenges of negotiating complex local politics and landscapes of authority in the borderlands.

6. Disconnects between local and national/international narratives on harm reduction shape the outcome of interventions

Experience of implementing harm reduction programmes has revealed a profound disconnect between the mainstream international harm reduction narrative, and the way that drug harms are understood and experienced by local people. In order to move towards inclusive and effective programming, there is a need for education around drug issues, as part of addressing forms of stigma and damage caused by problematic responses to drug use and harm. At the same time, there is a need for external programmes to engage more deeply with local narratives, attitudes and beliefs around drug issues, to understand how effective locally owned and supported solutions might emerge.

7. Space to include drugs in a negotiated peace may now be closed

The fact that drug-related harms increased under prolonged ceasefires has created distrust in narratives of ceasefires, peace and development. Despite hopes that the peace process would open up space to address drugs, the absence of discussions around narcotics in the negotiations, and the simultaneous proliferation of the production and trade in drugs, indicated the vested interests of those involved.

Given the stagnation of the peace process, worsening conflict and finally a military coup, the potential policy space to include drugs in a negotiated peace may well now be completely closed. It may become even harder to engage with sensitive issues like drugs, especially in areas where government administrative reach is limited but where the government largely precludes engagement with the armed organisations that operate as de facto service providers for many of the country's most vulnerable populations.

8. A possible future opportunity

There has always been a strong resistance to external influence in Myanmar. This is exemplified by theatrical dynamics around drugs, in which all stakeholders – national and international – commit to ending drug production, but in reality there is little political space in which to address drug issues.

However, one potential opening space for stakeholder engagement might lie at the intersection between security and health. Phylogenetics of HIV subtypes indicate that recombinant strains of HIV across Southeast Asia and into northern India originate in Myanmar's northern borderlands. The implications of infectious disease for national and regional security are very real, as COVID-19 has demonstrated.

Internal and external stakeholders exploring the health and security interface and how to address novel and emerging threats will find themselves trying to understand the illicit economies and the actors that facilitate and protect them. The search for common understandings of how to respond and prevent very real threats will ensure that all stakeholders will have to confront the nexus of drugs and its competing narratives in ways that have not happened to date.

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The views presented in this paper are those of the author(s) and do not necessarily represent the views of GCRF, the UK Government or partner organisations.

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