



**Burma in the Balance:  
The Role of Foreign  
Assistance in Supporting  
Burma's Democratic  
Transition**

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*March 22, 2012*

PROJECT  
**2049**  
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### Executive Summary

The historic constraints on donor interventions in Burma—whether self-imposed sanctions or regime-imposed barriers—are increasingly giving way to a sense of heightened optimism about the possibilities of working on issues across the development spectrum. But while the terrain appears to be improving, there remain substantial barriers to effective programming beyond the overall pace and scope of political reform. Overall, Burma presents particular challenges and historic opportunities to put into practice a balanced approach that advances political and economic reforms alongside each other in a mutually reinforcing, and ultimately more sustainable, manner.

Through the analysis and recommendations developed in this report, Project 2049 hopes to provide the donor community some reference points as it seeks to develop responsible interventions in a unique and important context. The report identifies a number of key trends and issues:

- Burma remains a **highly contested political environment** on multiple levels, featuring sharp disparities in and disconnects between legitimacy, authority and control. The **struggle for political legitimacy** in Burma has been made more fluid by the simultaneous political and economic transitions that appear to be underway.
- **The government is both a development actor and a party to various conflicts**, creating the potential for state-building, development and peace-building objectives to come into conflict. Donors' and aid agencies' **pent-up demand to work with the authorities** presents a danger that **development goals will become conflated with the political objectives of governing authorities**.

- **Transparency, accountability and consultation** are key pillars for both successful economic development and the building of a healthy political culture. Development cannot be a substitute for resolving political conflicts, but poverty alleviation strategies should be linked to conflict prevention efforts.
- **Ethnic communities will strongly resist any development agenda based solely or even primarily on an elite Burman consensus**, and are wary of efforts to substitute economic development for resolution of political issues. There is a worry that donors' development agendas could lead them to unintentionally support policies in ethnic areas that could reignite conflict.
- The present **chaotic policy environment of 'competitive reformism'** is not producing quality legislation or a focus on strategic priorities. Donor behavior can either add to the sense of frenzy or serve as a helpful brake. Existing coordination mechanisms have been effective but the danger of **uncoordinated donor interventions overwhelming the system** is very real.
- While there are **major capacity gaps**, particularly on the governance side, there are also great **unrealized potential within Burmese society** that just needs a more favorable environment and targeted support to flourish.
- There is a need for donors to begin talking about **security sector reform and transitional justice issues** in Burma. While some donors may think it premature, delays in dealing with these issues will be harmful to both democratic and economic development.

- **Refugee and cross border assistance continues to be vital** to many communities that remain inaccessible from within the country. Efforts to press for rapid return and resettlement of displaced populations are not only unrealistic, but risk renewed conflict.

**In light of these findings, Project 2049 recommends the following basic principles for OECD donors and aid agencies working in Burma:**

- Ensure core political issues—human rights, democratization and genuine national reconciliation—continue to guide the overall policy toward the Burmese government, and are not subsumed by aid priorities.
- Develop and maintain a high level of situational awareness, particularly regarding the political environment and conflict-affected ethnic nationalities.
- Articulate and adhere to high standards of conduct, especially around issues of transparency and accountability; require all partners to maintain the same standards.
- Maintain balanced engagement and engage the broadest possible range of stakeholders, and provide at least as much emphasis and support on the “demand” side as on the “supply” side.
- Establish a diverse array of implementing mechanisms, especially for programming funds targeted at the grassroots and ethnic communities.
- Support a patient approach that focuses on core competencies, getting the ‘big issues’ right first, and long-term planning, including contingency and exit strategies.

**Project 2049's specific recommendations for donors include:**

- **Engage multiple stakeholders through participatory planning and implementation processes.** More challenging than simply consulting parliament, but essential to ensure true country ownership.
- **Prioritize and practice transparency with all stakeholders, especially Burmese society.** Publish up-to-date data in different formats; translate as much as possible into Burmese; and use public diplomacy to talk about aid with specificity.
- **Ensure the government has 'skin in the game'** through matching fund requirements and other triggers that are jointly developed and rigorously enforced.
- **Prioritize issues that concurrently support good governance and sustainable development.** Currency reform, fiscal management and financial sector restructuring, legal system reform, land tenure, and conflict resolution and prevention are urgent priorities for development and support democratization. Security sector reform needs early attention.
- **Develop true country ownership by focusing on beneficiaries.** Weight aid portfolios toward small-scale interventions, including by setting a fixed percentage for civil society. Build local capacity through the use of CBOs, even on projects that are focused on systems strengthening.
- **Be a 'ninja' donor: strategic, patient, flexible and intelligently risk-tolerant.** Invest in catalytic individuals and organizations that can have a multiplier effect in Burmese society.

- **Develop and implement horizontal programs in partnership with regional democracies whose experiences are relateable to Burma's.** Forge a genuine partnership that brings in the regional partner in at the project design stage. Focus on low-visibility, small-scale efforts.
- **Maintain cross border programs, with a focus on how they can be used to support reconciliation and reintegration.** Initiate dialogue on preparedness of all parties for voluntary returns; include mechanisms to integrate trained health and education workers into formal systems.
- **Establish agreed donor values and principles for behavior first, then work out the architecture for coordination.** Do not lower standards for donors who do not adhere to global best practices.
- **Invest in and use interactive tools to facilitate better real-time integrated coordination.** When used effectively by donors and implementing agencies, these are among the most effective investments donors can make.
- **Keep existing structures that have proven effective in facilitating coordination;** expand them only as needed to bring in those whose participation will add value.

### About the Author

**Kelley Currie** is a Senior Fellow with the Project 2049 Institute, working on issues related to democracy, human rights and the rule of law in the Asia-Pacific region. Prior to joining Project 2049, Ms. Currie served as an Asia policy advisor to Under Secretary of State for Democracy and Global Affairs and Special Coordinator for Tibetan Issues Paula Dobriansky. She has also served as senior advisor to the International Committee of the Red Cross; director of government relations for the International Campaign for Tibet; and deputy director for Asia at the International Republican Institute. From 1995-1999, Ms. Currie was foreign policy advisor to Congressman John Porter (R-IL), and concurrently served as the majority staff director of the Congressional Human Rights Caucus. Ms. Currie received a J.D. from Georgetown University Law Center, and an undergraduate degree in political science from the University of Georgia School of Public and International Affairs. She has appeared as an expert commentator on CNN and the BBC, and has written on Asia policy issues for national and international publications.

The full report will be available at:  
[http://www.project2049.net/documents/burma\\_in\\_the\\_balance\\_currie.pdf](http://www.project2049.net/documents/burma_in_the_balance_currie.pdf).

