Many around the world have been both surprised and intrigued by the developments currently under way in Burma (Myanmar). The end of decades of direct and authoritarian military rule, the official abolition of state censorship, the largely free elections of late 2015, and the mostly peaceful—if still conditional—transition of power in 2016 have all been captivating and hope-inspiring. However, the process of change is at the same time contradictory, bewildering, and difficult to interpret, not least as regards the prospects for social justice and for realizing a just peace that can overcome Burma’s long-lasting ethnic conflicts.

This important new book provides a rich, timely intervention and a multi-faceted guide to how to read and understand what is happening—especially as regards the situation and aspirations of the diverse stakeholders in this process of hopeful yet troubled change. This volume’s collective of insightful authors offer unique perspectives on the many problematic twists that continue to mar the country’s trajectory towards the future, as well as the lives and ambitions of migrants and refugees from Burma residing in Thailand.

With detailed explorations of numerous aspects of Burma’s transition, Border Twists and Burma Trajectories contributes greatly to our understanding of the complexities of Burma, as well as to the conception of the Thai-Burma borderland as a space of unique social identity. Even those who do not consider themselves Burma specialists will value this account of Burma’s laborious emergence from oppressive military dictatorship to something expectantly better.

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Perceptions, Reforms, and Adaptations

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Chapter 3

Civil Society, Foreign Aid, and Donor Dependency in Transitional Myanmar

Maaike Matelski

After decades of being shunned by the international community, Myanmar¹ has been witnessing a significant increase in foreign donor interest in response to the political liberalization process that began with the country’s 2010 elections. This chapter discusses the impact of these increased funding opportunities on Burmese civil society organizations. In particular, it asks whether the increase in donor interest has strengthened their position and reduced dependency on donor agendas. In addition, it discusses the concern expressed by some observers that Myanmar might become ‘the new Cambodia,’ referring to a corruption of the development sector as a result of a sudden large influx of donor funding. Information stems from intermittent fieldwork and interviews with representatives of Burmese civil society organizations and Western donors between mid-2010 and mid-2015. These data have been complemented with a literature review and analysis of published discussions from the field, such as the postings on the Paung Ku Forum.²
which has been serving as an online platform for comments on donor practices in Myanmar for several years.

**Burmese civil society’s reliance on Western donor funding**

Non-governmental, non-profit organizations typically rely on external funding. In theory, funding for civil society can come from a number of main sources: governmental assistance, private donations, or contributions from abroad. In developing countries the first two options are often ruled out, due to the generally high poverty level that limits both governmental and private spending. When governmental or private donors in such countries do have money to spare, they are often reluctant to spend it on independent organizations that might criticize the government (Parks, 2008). For governmental actors, the motivation not to fund such activities is obvious, but private donors too might risk repercussions if they come to be perceived as supporting dissent. Moreover, in the absence of a substantial middle class, wealth is often acquired in close collaboration with political and business elites, who will not support activities that might challenge the status quo (Parks, 2008). These limitations are even more pervasive in authoritarian countries such as Myanmar, where funding for social or political activities is not only limited due to pervasive poverty, but also because many organizations attempt to stay under the radar of the government, either to avoid repression or to maintain credibility as independent organizations.3 This situation has made Burmese civil society organizations highly dependent on foreign supporters for their financial survival.

Within the broad field of Burmese civil society organizations, we can distinguish religion-oriented (‘faith-based’) and secular-oriented civil society (I use the word ‘oriented’ since many of the ‘secular’ civil society actors still identify with a particular religion). Buddhist organizations and their followers can be regarded as the most traditional form of ‘religious’ civil society, and Buddhist leaders have been involved in the provision of education and other forms of social welfare since
pre-colonial times (Cheesman, 2003; Schober, 2011). However, the military governments that have been in power since 1962 have consciously sought to reduce the societal influence of Buddhist monks. Consequently, their social welfare activities have been largely restricted to the local level. Only Buddhist leaders whose discourse and actions reach beyond the traditional religious sphere and beyond their immediate communities have been in contact with foreign donors.

In contrast, Islamic and especially Christian organizations in Myanmar have a longer history of transnational ties, and often receive foreign donations. Various Christian welfare organizations were started in the late-nineteenth century under British colonial rule, the forms and functions of which corresponded more closely to what the Western world viewed as development organizations (Heidel, 2006). They were therefore more likely to establish partnerships with international Christian and other donor agencies (Kramer, 2009). Moreover, various Buddhist social welfare workers told me that they had been inspired by Christian organizations to take up development work, because many Buddhist followers restrict their donations to the immediate religious realm, rather than addressing the broader socio-economic needs of the community. In short, given the absence of sufficient community members willing and able to share their resources for social welfare, Burmese civil society organizations of all religious affiliations (as well as those without an explicit religious affiliation) have been highly dependent on foreign donor support in order to carry out their activities. Such support has been variously available during different moments in time, but has generally been more limited than in neighboring countries.

When searching for foreign donors, Burmese civil society organizations have a number of platforms from which to choose. Although geographically they can focus their efforts on neighboring countries, in practice they often rely on Western donors instead. The type of Western donors potentially available to Burmese civil society organizations include multi-donor trust funds, multilateral aid agencies,
bilateral aid agencies, and international NGOs (Rieffel & Fox, 2013). Depending on the type of activities, a distinction can be made between humanitarian aid, development assistance, and general capacity-building for civil society, such as training and education. Some donors explicitly focus their support on one of these areas, while others engage in a combination. However, the overall level of donor assistance to Myanmar remained particularly low until the late 2000s.

Expansion and contraction of foreign aid under military rule

Following independence from British colonialism in 1948, while the global aid chain was developing on a large scale, Burma’s bilateral relations were characterized by the Cold War atmosphere and post-colonial relations with the British and the Japanese, who provided technical support and post-war compensation (Steinberg, 2010: 36; 45). The post-1962 government tried to remain neutral amidst Cold War rivalries, but eventually had to seek out economic assistance due to economic decline (Steinberg, 2010: 67). Bilateral and multilateral development assistance did not really take off until the end of the 1970s, and was distributed exclusively through government channels. Japan remained the primary donor for decades, accounting for over 70% of the official development assistance (ODA) in 1987 (Banki, 2009).

The prospects for foreign assistance, however, have been limited by the sanctions that the Burmese opposition demanded and many Western countries imposed after the crackdown of the 1988 uprising, as well as by the government’s own restrictive rules and practices concerning foreign funding. Especially after the National League for Democracy (NLD) was denied power despite winning the 1990 elections, opposition leader Aung San Suu Kyi and various Burmese exile organizations nearly unanimously called for divestment, including withdrawal of development assistance, which they argued primarily benefited the military government. By and large, the NLD and other opposition groups were effective in fostering the view that Western assistance was better
distributed to Burmese refugees and activists in exile than to actors based inside the country. This situation complicated the position of civil society organizations seeking to work inside the country under military rule (Pedersen, 2007).

Although Asian countries have not imposed political or economic sanctions on Myanmar, they have also not been particularly supportive of civil society activities. Japanese and Chinese aid has been distributed primarily through the Myanmar government, and has been used mainly for infrastructure projects. After 1988, many Asian countries such as neighboring Thailand employed a policy of ‘constructive engagement,’ which was intended to have a long-term positive influence on democratization in Myanmar, while maintaining regional security and economic ties (Buszynski, 1998). India’s initial support for Burmese democracy activists was reversed in the course of the 1990s, when its ‘Look East’ policy called for closer political and economic ties with its eastern neighbors (Egreteau, 2011).

Thus, although Asian countries had a significant political and economic influence on Myanmar during military rule, the opportunities for civil society actors inside the country to benefit from these relationships were virtually absent. On the contrary, the majority of the regional countries’ insistence on maintaining economic and political ties with Myanmar actually reduced the possibilities for non-state actors to obtain Asian assistance, as this would be seen as a sign of distrust towards the military government. Assistance to Burmese refugees and migrants in Asia has largely been funded by Western aid organizations, as many countries in the region have not signed the Refugee Convention and are reluctant to recognize the status of Burmese refugees. Even the tacit acceptance of Burmese exiles and refugees in neighboring territories was sometimes jeopardized, with offices of Burmese organizations being raided by Thai authorities when bilateral relationships required a firmer stance.
Despite the Western reluctance to become involved in any activities taking place inside Myanmar, a number of developments from the 1990s onwards increased opportunities for local actors to obtain foreign financial support. The ceasefires reached in several ethnic minority areas in the 1990s expanded the opportunities for local organizations to establish activities in these ‘ethnic states.’ The post-1988 military government expressed interest in receiving international development assistance, as long as it was limited to areas under its control, and distributed through bilateral assistance or through UN agencies, rather than through independent non-governmental organizations (ICG, 2002). Some of the ethnic insurgent groups that had entered into ceasefires also sought international assistance in order to develop the infrastructure and economy in their regions, and international NGOs were able to enter the Kachin, Mon, and Karenni states after signing Memoranda of Understanding (MOUs) with the government (Purcell, 1999). In addition, the government sought out assistance to address the gravest humanitarian needs, such as poverty and HIV/AIDS, which it increasingly acknowledged (Pedersen, 2012). Opportunities thus increased for local humanitarian and peacebuilding organizations active in the accessible areas of the country.

Humanitarian aid in Myanmar reportedly doubled between 2001 and 2005, while also reaching more remote areas (ICG, 2006). Various Western organizations experienced an increase in humanitarian access in the early 2000s as a result of personal relationships with General Khin Nyunt. As the head of military intelligence and later briefly prime minister, Khin Nyunt had facilitated the ceasefires with various ethnic groups, as well as informal talks with Aung San Suu Kyi. In addition, he was responsible for foreign affairs, and actively sought out international involvement in the country (Steinberg, 2010: 94). International organizations such as the ILO, UNHCR, and ICRC worked with Khin Nyunt to establish projects to reduce forced labor, facilitate prison visits, and increase protection for civilians in conflict areas (ICG, 2006).
When General Khin Nyunt was suddenly removed from power in 2004, the ability of non-governmental organizations to work inside the country was directly affected. International organizations experienced reduced access to high-level government officials, increased surveillance, difficulty obtaining permission for field trips, and more pressure to work with government-affiliated NGOs (ICG, 2006). As the climate for international organizations worsened throughout the course of 2004, both the UN Global Fund for AIDS, Tuberculosis, and Malaria and the French section of Médecins Sans Frontières decided to withdraw from the country. The increased pressure culminated in the ‘Guidelines for UN Agencies, International Organizations and INGOs/NGOs’ issued by the Myanmar government in February 2006, which imposed strict rules on registration, oversight, and funding of activities, and limited freedom to travel (ICG, 2006). As a result of this restrictive environment for international actors, local civil society organizations could only legally obtain foreign support through donors who had established an MOU with the government, which in turn implied further restrictions and surveillance.

A new era in Myanmar’s humanitarian aid debate emerged in 2008. Cyclone Nargis struck the country in early May of that year, predominantly in the southern areas (Irrawaddy Delta and Yangon), resulting in an estimated 140,000 casualties, and affecting the livelihoods of millions of people. The military government’s inadequate response severely aggravated the catastrophe. Not only did the government lack the equipment, capacity, and willingness to respond to the vast humanitarian needs, it also initially rejected the international assistance that was being offered from several sides (Larkin, 2010). Eventually, however, the UN managed to intervene, and a Tripartite Core Group was set up consisting of representatives from the Myanmar government, ASEAN, and the UN.

Despite the initial restrictions on foreign aid entering the country, Cyclone Nargis and its aftermath put Myanmar more firmly on the
international aid for Myanmar increased from $3US per person in 2006, to a still modest $10US per person in 2008, then down to $7US in 2010. The number of international organizations active inside the country and their number of local staff rose significantly, particularly in the delta area (Pedersen, 2012; Rieffel & Fox, 2013). Some of this humanitarian assistance later transformed into regular development assistance, leading to long-term relationships between Western donors and local organizations. The occurrence of Cyclone Nargis thus shifted the balance, with civil society organizations inside the country seeing increased opportunities for foreign assistance. The announcement that the first elections in decades would be held in late 2010 further inspired Western donors to fund civil society activities inside the country, thereby hoping to contribute to ‘democratization from below’ (Matelski, 2013). Although some of this funding was labeled by donors as humanitarian assistance or democracy promotion rather than official development assistance, it did affect the total aid budgets available for Myanmar, and would eventually impact negatively on the financial assistance available for Burmese activists and refugees based outside the country. Such developments illustrate the problem of donor dependency that has been discussed extensively in development literature.

**Foreign aid and donor dependency**

As the above overview shows, foreign donors may provide vital financial and moral support in environments where the country’s own government and local actors are incapable or unwilling to do so. Yet donors have also been accused of prioritizing their own political, economic, and geo-strategic interests over the interests of beneficiaries, of being insufficient and inconsistent in their aid distribution, and of paying lip service to values such as development and democracy, while actually pursuing other agendas. Moreover, development assistance is known to come with certain preconditions and institutional requirements that may take a toll on recipients’ available time and resources. Many
aid recipients in developing countries face the challenge of making the most of available funding without becoming dependent on the whims and agendas of their donors.

Despite the prominent discourse on partnership, the relationship between donor and recipient organizations is inherently unequal, since the donor decides if and how funding is allocated (Parks, 2008). This power imbalance has at least two potential consequences for aid recipients, namely having donor priorities and preferences imposed on them, and risking financial or other forms of dependency on outside funding. Donors can influence recipients’ activities on a number of levels, including the length of the project cycles, the content and location of the activities, and the methods and language employed by staff members. Donors often place unattainable or unrealistic demands on their recipients in terms of reporting on their activities, which can make recipient organizations less effective and inflate overhead costs. Moreover, they can influence how funding gets spent on the ground by imposing their own agendas, or even suggesting specific consultants and other staff members to be included in the project.

While many of these requirements are ostensibly meant to ensure that funding is spent correctly and that recipient organizations are accountable to beneficiaries, these practices may actually result in an excess of upward rather than downward accountability, with a significant proportion of the resources eventually flowing back to the donors’ own environment (Edwards & Hulme, 1998: 9). Moreover, it has been argued that donors are primarily interested in reports on how their funds have been spent, rather than on the outcome of the projects they fund, or the impact on the ultimate beneficiaries (Mir & Bala, 2014). Mosse (2005a) even argues that development policies are designed retrospectively to fit the reality on the ground, which ensures that project outcomes are evaluated as successful regardless of the actual impact. I will now discuss how donors may influence the projects, technicalities, and budgets of their recipients.
Project cycles and content

Donors are known to prefer project funding over long-term program aid and assistance for operational expenses. Projects are more limited in time and scope and therefore easier to monitor and assess in terms of process and outcome. Recipient organizations often have more trouble securing funding for salaries, office space, and other overhead costs, for which no tangible outcome can be demonstrated (Antrobus, 1987). However, this preference for project funding ignores the conditions required for successful projects to exist in the first place. Knowledgeable staff, organizational stability, and the development of trust are essential for carrying out such projects, yet these aspects are the ones many donors are less willing to fund. Van Rooy (2001: 36) argues that the focus on projects “shapes organisations to manage the manageable...and so, inadvertently, to ignore the essential.”

Donor preferences for short-term project cycles carry the additional risk of a sudden decrease in funding (Antrobus, 1987). Donors shifting priority areas or target countries have a significant impact on organizations whose activities may suddenly fall outside the donors’ focus. Such developments increase uncertainty within organizations, as well as competition among them. Not only can funding be withdrawn on relatively short notice, but donors are also known to shift priorities in terms of geographical location, substantive focus, or intended beneficiaries. Recipients then face the choice between abandoning their previously established priority areas or looking for other funding sources, which requires a considerable time investment. In this way donors may influence not only the duration of the project, but also the substance of recipients’ activities.

Technicalities, terminology, and reporting requirements

Technicalities that may be imposed on recipients include administrative processes, and the use of specific terminology and reporting practices. Such prerequisites might make it easier for donors
to assess performance and prevent corruption, but can also result in a box-ticking exercise with little or no relevance to the ultimate goals or beneficiaries of civil society support.

The use of certain language and terminology, including acronyms, is a subtle way for development professionals to guard the boundaries between in-group and out-group, and thereby contributes to the ‘governmentality’ of professionalized (I)NGOs (Li, 2007). Englund (2006) has noted how in Malawi, highly educated human rights activists uncritically accepted English as the lingua franca and showed contempt for others with different or lower literacy skills, despite their stated intentions to empower poor communities. Similar tendencies can be seen in Myanmar with many international staff’s inability to speak Burmese, or local staff’s insistence on using Burmese in communities that speak one of the country’s many ethnic minority languages. Although many Yangon-based civil society actors do speak English (and some also speak one of the ethnic languages), the use of technical English terms can still create a distance to local staff members in subtle ways.

Similar observations have been made regarding the language used in donors’ policy documents and reporting requirements. Crewe and Axelby (2013: ix) argue that complex processes of social change are frequently reduced to “frameworks, tools, and formulae.” The use of donor keywords such as ‘community’ and ‘participation’ in policy documents may reassure the reader, as they suggest that the donor is in control of the funding process and its potential outcomes, without detailing what these concepts might look like in practice (Crewe & Axelby, 2013: 190). Technical requirements such as logframes and SMART goals are employed to socialize a diverse civil society landscape into the donors’ framework; Crewe and Axelby (2013: 185) refer to this bureaucratization as “moral taming of the unruly.” Some donors attempt to address the power imbalance between themselves and their recipients by avoiding tainted terminology such as ‘monitoring and evaluation,’ for instance, by referring to their evaluations as ‘sharing and learning.’
However, changing the wording does not necessarily empower recipients, as they still have to report on their activities in a way that satisfies the donors.

Potential donor recipients cannot avoid these practices, and thus spend a lot of their time learning what is expected of them and staying up-to-date on evolving donor preferences. Many have become increasingly adept at writing proposals in the form of neatly planned projects with clear timeframes and end goals, even though these activities are in fact part of a much longer and messier process. A separate ‘market’ of trainers, consultants, and manuals funded with donor money has also developed to teach proposal writing in a manner suitable to Western donors. Indeed, Western donors’ insistence on technical procedures in Myanmar seems to serve the goal of influencing the behavior of their recipients. Many Westerners working with Burmese civil society (and consequently, many civil society actors themselves) have complained that they are not being sufficiently ‘systematic’ or ‘strategic.’ A Westerner working with local civil society organizations explained to me that although logframes were ‘much dreaded’ in the field, they played an important role in forcing actors to think ahead of what they want to achieve and why. Otherwise, they might be ‘doing activities for the sake of activities.’

**Project budgets and the irony of scale**

An over-focus on reporting requirements may actually result in an ironic discrepancy between the evaluation of donors and intermediary INGOs on the one hand, and recipient organizations on the other. UN agencies and large international NGOs have a monopoly position in Myanmar, as donors often choose to channel funding through these agencies, rather than directly to local beneficiaries. I was able to observe a clear example of this while participating in a British civil society project on non-state education (Matelski, 2015). In 2011, I attended a closed-door meeting in Yangon organized by UNICEF, which had invited
various non-state education providers to discuss its expanding role in the country’s education system. UNICEF announced that it had $60 million US to spend on education, and was particularly interested in supporting non-state actors. The non-state education providers present at the meeting (both Burmese and foreigners), who were used to working with small budgets for many years, were initially very pleased and eager to share their thoughts on how the budget could be used to make education accessible to more children throughout the country. However, they were disappointed and even became somewhat emotional when UNICEF commented that it would only work with one or two centralized INGOs as local partners in order to shorten communication channels and minimize overhead costs. The atmosphere of working towards a common goal was quickly lost when participants in the meeting realized that precisely their ability to make the most out of small budgets made them ineligible for donor support.

In the course of my research, I heard many more comments on UN agencies’ lack of cost effectiveness and their high overhead costs, which some estimated to be well over 50%. UN consultants and staff members were also accused of elite practices, staying in expensive hotels, and refusing to mingle with the Burmese population, while sometimes working in close cooperation with military leaders. Although some UN agencies might have a long-term strategic impact on the country’s development, their immediate activities were not perceived favorably on the ground. In May 2014, UNICEF’s operations in Myanmar became subject of a public scandal when it transpired that the organization was renting office space from a former military general for $87,000US per month. After the initial news story, media reported that the World Health Organization, another UN agency, spent $79,000US per month on office space, amounting to 10% of its total annual budget for Myanmar (Kyaw Hsu Mon & Lewis, 2004).

Another complaint has been that the INGOs that have acted as intermediaries keep a disproportionate share of the funding for their
own organization. During a conversation in 2015, a representative of one of the largest development organizations in Myanmar complained about being forced to work with foreign partners such as INGOs, despite the extensive experience and sizable budget of the organization:

The problem with EU funding is they say they want to fund local NGOs, but then they don’t provide seed funding. If you want to apply for funds, another institution has to put in 10%, for example. Where do you think local NGOs will get the 10%? That’s how they open up space for the INGOs. Because you have to compete with the INGO on the proposal, and in the same proposal 10% is provided by the international NGOs. You can do this, but don’t say it strengthens civil society, because it doesn’t. They use all these words, you know, but don’t really mean it. All EU funding went to international NGOs, and then it must trickle down to the local NGO. Don’t call it our partner and then let us compete. Look at our funds; we manage more funds than some of the donors here. So why are they talking about capacity? Why not give it to the few NGOs that work with smaller NGOs? Why give it to the INGOs?

This insistence on local organizations having to secure other funding sources before donor funding is allocated puts international NGOs in a uniquely powerful position, because they act as intermediaries for all substantial funding. Some of the largest local organizations try to reduce their dependency by forming a block against the international NGOs, but many of the smaller organizations are not in a strong enough position to bargain about the share taken by intermediary organizations.

An example provided by Paung Ku (2011) points to a similar tendency. In a short report, the organization discusses the 2011 ‘Good Governance’ program announced by the European Commission (EC),
which explicitly aimed to reach grassroots organizations. As the report explains, the application process and requirements set by the EC meant that they reached only those organizations that, among other things, could afford to spend at least $10,000US on a funding proposal, without any assurances that this would eventually be compensated by the EC. While aspiring to reach the grassroots, they were reaching mainly large INGOs, who could afford to hire external consultants. As a local NGO director commented in the report: “The EC think they are watering the plants, but the plants are somewhere else” (Paung Ku, 2011: 7). According to one staff member, the European Commission’s Non-State Actors Programme was referred to in Yangon as the ‘Non-Local Actors’ Program: “While the EC objectives are focused on local civil society strengthening, the money is mostly snapped up by international agencies.”

Donors might also impose their own staff, consultants, or material resources as a prerequisite for funding (Antrobus, 1987). This tendency goes against the often mentioned objective of building local capacity and can actually create dependency. However, it also tends to influence the actual work that recipients of donor money can (or must) do. For example, Lall (2011) observed how Western donors and consultants presented the Child-Centered Approach as an essential aspect of primary education in Myanmar, and then benefited financially by sending expensive foreign consultants to implement this approach. These examples reinforce the perception of double standards, as recipients need to be transparent and accountable about all spending, while such requirements do not apply to Western donors and consultants.

The previously mentioned examples of donors’ varying standards towards international NGOs and local organizations point to what I call ‘the irony of scale’: the smaller the activity, the more rigid the reporting requirements. Following the logic of some of the largest, most bureaucratic donor agencies, a daily fee of $1,000US for external consultants may be justifiable as long as they can produce invoices for
their expenses and hourly rate, while a travel compensation of $1 or $2US for community members to participate in an activity may become problematic if the individuals are unable to produce official receipts. As Crewe and Axelby (2013: 186) note: “There is a paradox between the low level of trust placed in professionals that has led to the perceived need for auditing and the high level of trust that attaches to auditors and evaluators.” Local organizations are viewed with suspicion and are judged by standards that do not apply to Western donor representatives or those evaluating projects on their behalf. Local civil society actors have no choice but to follow donor practice by cooperating with INGOs and spending a significant percentage of their time and resources producing reports and evidence for their activities. Those who are able to operate on the lowest budgets are frequently told that they are too small and not capable of handling the amount of donor funding available, which is then distributed through INGOs instead.

**Partnership as a myth?**

The increasing reference to principles of ‘ownership’ and ‘partnership’ implies mutual accountability and cooperation between donors and recipients, yet observations by practitioners in Myanmar suggest that unequal relationships continue to exist. A regional civil society supporter conveyed to me in 2010 her anger about a meeting of a multi-donor trust fund in which a Western donor representative had arrived late, gave a fifteen-minute presentation about partnership, and then left without interacting with the audience. She said this would have been inconsiderate in any circumstance, but especially in a setting where partnership is mentioned as an explicit topic. A Burmese respondent later presented a similar story, commenting: “We call this community-blocking, not community-building. How will community members survive after the project is done? They must learn to make their own decisions, to manage, to control the entire process.”

Gardner and Lewis (1996: 111) argue that the idea of participation
was initially introduced in order to challenge top-down notions of development, but has over time become almost meaningless, as community involvement is increasingly used “to legitimize decisions which have already been taken by powerful outsiders.” Even when community participation is considered inappropriate or undesirable, community consultation will often be presented as an integral aspect of a development intervention (Mosse, 2005a). The use of consultation meetings by large development organizations to signal ‘ownership’ is particularly notorious. On 12 January 2015, the director of Paung Ku commented on the organization’s Facebook page that “consultation meetings...are intentionally designed to prevent true participation of civil society.”

Tactics he mentioned organizers used in order to avoid true participation included providing complex information with lots of jargon in English only or in a poor translation, giving long presentations with little or no time for questions and answers, or ending the session “when the civil society member is smart enough to grab the microphone.” In a critical blog on expat aid workers, this has been referred to as ‘facipulation’: a combination of ‘facilitation’ and ‘manipulation’ to give the impression that workshop participants are listened to, while steering conversations in a direction that suits the interests of donors and their intermediaries.

The above examples show that many large donors—and intergovernmental organizations in particular—have paid lip service to partnership in Myanmar. Some of the smaller donor organizations have shown more interest in interaction with beneficiaries, for example by posting permanent staff members in the field. Others have taken a different approach to partnership by co-authoring proposals with recipient organizations to submit to larger donor organizations. Although such ‘strategic partnerships’ potentially have an empowering effect on the local partner, there is a risk of recreating dependency patterns if local NGOs grow and become the new center of power in the field at the expense of smaller organizations.
In short, Western donors have been indispensable for the survival of many Burmese civil society organisations during decades of military rule. Their involvement however has not been solely out of altruistic motivations, and should be assessed based on international standards and the experiences of those on the recipient side. My data indicate that Western donor assistance, even if well intended, has not always enhanced the recipients’ potential impact in the field.

**Seeking alternatives**

The risks of donor dependency described above and the possibility of a sudden decrease in funding imply that civil society organizations might be better off relying on community funding instead. Research on countries such as Bangladesh also suggests that NGOs that rely on local funding are more cost-effective and accountable to their beneficiaries because they spend less of their resources on upward accountability towards donors (Mir & Bala, 2014). Moreover, Mosse (2005b: 5) has argued that “international aid policy frameworks continue to endorse globalisation as a process of economic and political freedom (democracy) and poverty reduction, despite the fact that free trade seems more clearly linked to growing inequality than gains in income or welfare for the poor.” A number of civil society representatives I spoke to explicitly rejected the preconditions that came with foreign donor aid, and instead relied on traditional regional or religious values for change.

One significant regional actor advancing Buddhism-inspired development is the International Network of Engaged Buddhists, which has a regional office in Thailand under the name Spirit in Education Movement. A representative explained to me in 2011 that they were trying to learn from Christian organizations that had been more tightly organized and had succeeded in mobilizing youth for public causes. He rejected the materialism, migration, and ‘brain drain’ that he had witnessed in the region as a result of what he called ‘mainstream development,’ and wanted to show people that there are alternative ways
of developing. He explained that they relied on informal networks rather than public meetings and proposals to establish support for their activities. Yet this organization too has been supported by Western donors, acting as an intermediary between Western donors and local Buddhist organizations inside Myanmar that would likely be unable to obtain foreign funding by themselves.

Since the mid-1990s, the organization has been running a ‘grassroots leadership training’ with the goal of empowering grassroots civil society in Myanmar. The first course was run with (Christian) Kachin communities, with subsequent trainings including many other ethnic minority groups. The goal was to include Burmans and Buddhists, and to “run regular inter-ethnic, inter-religious courses for other oppressed groups in the region” (Rabash & Hutanuwait, 1999). The trainers pay particular attention to alternative forms of development based on “spiritual and cultural wisdom,” providing a more sustainable and spiritual alternative to mainstream development. In the course of many years, the organization has managed to establish a significant network of alumni who are active in various sectors of civil society throughout Myanmar. Other organizations that have provided training in alternative forms of development include the Network for Environment and Economic Development (NEED-Burma), which seeks to offer alternatives to mainstream forms of development, including income-generation projects such as starting organic farms (Garnett, 2014).

Although such programs are very popular with Westerners who are themselves supportive of alternative modes of development, it must be kept in mind that these activities target a minority of the Burmese population, as many are still preoccupied with improving economic circumstances for themselves and their immediate environment. One example that was provided from the previously mentioned grassroots leadership training concerned a man who had returned to his village after having participated in the training program abroad. When it became clear to his fellow villagers that he had returned with spiritual
rather than economic wealth, villagers started to question the use of investing in training and education when it would not bring any improvement to their daily lives. The man, however, insisted on the long-term benefits of newly-learned skills and worldviews.

Another option for civil society organizations to become less dependent on foreign funding is to turn to a business model, whereby the organization sells goods or services in order to generate its own sources of income. These may include sales of goods such as the products of local farming, and materials such as education and training manuals, as well as providing trainings and hiring out staff as consultants (Antrobus, 1987). Such activities are increasingly employed by Cambodian civil society organizations that have had to find alternative sources of funding after the excessive distribution of aid came to a halt (Khieng, 2014). However, some of the Burmese organizations that have begun to hire out their own consultants quickly became known among other organizations as sell-outs, especially since they charged an average daily rate of $100US, which many potential beneficiaries could not afford to pay, although it was still significantly cheaper than the rate of foreign consultants.

Moreover, Antrobus (1987) argues that organizations hiring out their staff members as consultants may go against donor requirements that they hire Western contacts and experts as consultants in exchange for funding. To some extent, Western donors might have an interest in perpetuating dependency between donor and recipient in order to impose their own agendas, priorities, and experts. Although the goal of development assistance should ideally be to become superfluous, there are few donors that withdraw due to successful completion of their goals, nor are there many civil society organizations that proclaim themselves no longer necessary (Cf. Van Rooy, 2001). Some Burmese organizations though have shifted focus as a result of increased possibilities to employ activities inside the country, as the return of several exile organizations, including media organizations, has demonstrated.
Myanmar’s post-2010 donor influx: The ‘new Cambodia’?

Since the transition from military rule to quasi-civilian rule started in 2011, Myanmar has seen a significant increase in Western donor interest. In addition to large international development actors such as the World Bank and the Asian Development Bank, new bilateral donors such as the United States Agency for International Development (USAID) have entered the country following initial diplomatic visits to test the waters. European countries too are reassessing their sanctions policies, and some European donors have announced a significant increase in funding for Myanmar. To some extent, this has put civil society organizations in a more powerful position. While previously they were competing for a limited amount of donor funding, a new situation has emerged in which the demand for local partners almost outgrows the supply. As a result, several of my respondents who had earlier struggled to obtain donor funding by 2014 reported a significant increase in funding from various sources.

However, some observers worry that the amount of donor support that has suddenly become available cannot be absorbed by the existing field of potential recipients. Rieffel and Fox (2013), for example, question whether the amount of foreign aid pouring into the country has been ‘too much too soon.’ Their report compares the sudden influx of donor funding to earlier situations in Nepal and particularly Cambodia, where duplication and fragmentation occurred as the country’s governments seemed unable to absorb the amount of funding that had become available (it also cites Vietnam as a more positive example). McCarthy (2012), in writing about the ‘donor invasion,’ also warns that “Within five years Myanmar could become a typical aid-dependent country.” The problems with aid in Cambodia have been largely attributed to the management incapacity of the central government. This problem has been less relevant for Myanmar in the past, as Western donors tried to bypass the government as much as possible. This situation started changing after the nominally civilian government took over in 2011.
Until the early 2000s, the aid situations in Cambodia and Myanmar were largely opposed to each other. Cambodia had gone from an almost complete elimination of civil society during the Khmer Rouge era to a sudden increase in donor interest after the establishment of the UN Transitional Authority in 1992. As a result, recipient organizations were ostensibly set up in response to available funds, rather than to local needs (Hughes, 2009). In Myanmar, however, repression of associations by the authorities has been an almost constant factor since colonial times, and civil society actors have become used to organizing themselves in various forms and adapting to the circumstances and limitations under military rule. As a consequence of Western reluctance (and Asian disinterest) until just a few years ago to provide development assistance, many civil society organizations inside Myanmar had become used to working with limited resources. Thus, the absence of large numbers of ‘professionalized’ civil society organizations observed under military rule might paradoxically mean that associational life has remained more vibrant than in environments such as Cambodia, where donor assistance has been more sudden and primarily channeled through the government.

While some use the Cambodia comparison to refer primarily to domestic socio-political processes, fearing the “cronyism, corruption, land grabs, social and environmental exploitation” that have been observed in Cambodia during the 1990s (Nicholson, 2014), others refer more directly to donor responsibility, warning against an absence of coordination, increase of elitism, and brain drain for local organizations as a result of the growing role of INGOs and UN agencies (Paung Ku, 2012). The examples provided in this chapter show that some of these dangers also apply to contemporary Myanmar.

Some donor representatives and even some recipients I spoke to questioned local organizations’ ability to spend the available funding in a way that would be acceptable to themselves and their donors. They also pointed to the increased risk of donors duplicating each other’s work, due to unfamiliarity with the local context and the lack of public
reporting in the past. Local representatives further reported an increased demand for information as a result of the many ‘scoping missions’ that potential new donors have undertaken in recent years. Local staff members are expected to contribute their expertise for free, without being guaranteed funding in return. As this distracts them from their core activities, some have become reluctant to host new visitors. Local civil society leaders also worry that the establishment of new UN and INGO offices in the field is taking staff away from local organizations, which have invested significant resources into training their staff members but cannot afford to compete with international salaries and benefits.

As a result of the loosening of sanctions, Western donors have begun interacting directly with government officials. However, critics worry that Western governments and donors have started to rely too much on the guidance of the Myanmar government. For example, Phan (2014) complains that the British government is spending twice as much on government capacity-building as on strengthening civil society, and that support for government-approved civil society (i.e., registered organizations) may actually undermine ‘genuine’ civil society groups. The Myanmar Peace Support Initiative established in 2012 and the national census conducted in 2014 both received significant Western donor assistance, despite being highly controversial on the ground. Peacebuilding in particular seems to have become a new donor trend now that the Myanmar government and ethnic minority representatives have started engaging in peace talks, despite warnings from other conflict environments that supporting an imbalanced peace process may actually do more harm than good (Anderson, 1999; Hindstrom, 2012; Jolliffe, 2015). Nevertheless, donor-dependent recipients have little choice but to adapt their discourse and activities to these new donor interests.

The situation of Burmese activist and refugee organizations abroad and their ability to secure funding has also changed dramatically in recent years. Political and advocacy organizations that have managed
to create a role for themselves inside the country are able to benefit from the increase in donor support, while those that remain outside the country have seen their funding options reduced (Phan, 2014). This also affects various ethnic minority organizations and refugees from regions such as Shan and Kachin states, where armed conflict has not ceased. Spokespersons working with these organizations fear that they will become the victims of the international optimism about political change in Myanmar. Despite the fact that the ‘do no harm’ principle in aid debates has been primarily applied to conflict situations, it should arguably be extended to donors that reduce funding to aid-dependent recipients because they discover a more interesting market, and not because the needs of previous recipients have been sufficiently addressed.

This situation again highlights the perils of Burmese civil society’s dependence on foreign aid. In some cases, the reduced aid options for Burmese organizations in exile have coincided with their own shifting orientation to developments inside the country. Activists who have moved back into Myanmar can benefit from the increased donor interest in developments inside the country and help to counter the problem of brain drain as a result of cross-border migration. However, as this chapter has shown, Western donors’ increased focus on developments inside Myanmar has not always been accompanied by more attention for grassroots activities, and the risk of brain drain and high overhead costs might actually increase as UN and other international donor organizations have a stronger presence inside the country.

Conclusion

Many Burmese civil society organizations have long struggled to obtain the necessary funding to carry out their activities. The unavailability of sufficient funding within the country and in the Asian region forced many organizations to turn to Western donors for assistance. These donors had to weigh the calls for disengagement made by Burmese exile organizations against the calls from local development
organizations for increased assistance. Moreover, the obstacles that the military government put up for Western donor involvement in the country made it difficult for donors to reach the intended beneficiaries. Nevertheless, donor presence slowly increased as a result of the ethnic ceasefires in the 1990s, the aftermath of Cyclone Nargis in 2008, and the political liberalization process since 2011.

This increase in donor interest, however, has not always resulted in increased funding opportunities for Burmese civil society organizations. As in other developing countries, many donors have based their agendas and priorities more on their own insights and interests than on the needs and priorities of the target population. The preference for short-term project funding over long-term overhead funding, for example, has forced recipient organizations to continuously rephrase their activities in new terminology. In some cases, funding has been withheld or withdrawn because recipients could not live up to the reporting requirements of their donors, a development which is likely to have a negative impact on the intended beneficiaries of their activities. The practice of certain large donors of imposing their own consultants, insisting on working with intermediary organizations, and spending a large proportion of the funding on their own overhead costs has contributed to a negative image of international NGOs inside the country. Some organizations have therefore tried to find alternative sources of income, but these efforts have so far had limited success. Those organizations that have been successful in ‘professionalizing’ themselves risk becoming subject to the same types of criticism that international organizations have been facing.

The recent influx of donor agencies has increased opportunities for organizations inside Myanmar to obtain funding. However, the new situation creates a risk of duplication and fragmentation of activities, and places high demands on the limited number of civil society organizations that are considered suitable partners for Western donors. In addition, donors are reducing funding to Burmese activists and
refugees abroad while increasingly working with state actors, and have in some cases contributed to controversial government initiatives, such as renewed ceasefire talks and a national census. These developments demonstrate the risk of donor dependency for civil society organizations, and should encourage all actors to reconsider existing relationships of power and accountability between funder and recipient. While a few large development organizations have attempted to improve their negotiating position vis-à-vis Western donors, many of the smaller organizations lack the capacity and experience to talk back. Nevertheless, new initiatives such as IFI Watch Myanmar, a watchdog organization for large development projects started in 2012, may empower people on the recipient side of funding to collectively demand accountability (Mo Kham Nang & Nyo Yamonn, 2013).

However, given the inherently imbalanced power relationship between donors and recipients, Western donors should also reconsider their own practices and be willing to change in order to increase aid effectiveness. Practices that would help recipient organizations develop and implement long-term strategies include assurances of long-term funding, willingness to fund overhead costs in addition to project work, and prioritization based on the specific needs of the intended beneficiaries, which should also be reflected in the reporting requirements. The situation in Myanmar shows that a countrywide donor strategy is insufficient, as the political progress that has been made in some areas of the country has not spilled over to certain ethnic minority areas, where conflict is ongoing and humanitarian needs are actually increasing. In order to decrease aid dependency, capacity-building programs should be aimed at long-term implementation of locally relevant capacities, rather than socializing recipients into Western donor priorities and practices. Lastly, Western donors and international NGOs should value experienced domestic actors with knowledge of the local context at least as much as external consultants that are brought in to provide technical expertise, by granting them responsibility for financial and
strategic decision-making. Donor dependency may be an inevitable stage of development, but it should not be perpetuated by donors’ own practices.
Notes

1. In line with Steinberg (2010), I use ‘Myanmar’ to speak about the post-1988 era, ‘Burma’ to speak about previous eras, and ‘Burmese’ to refer to the whole population of the country, while acknowledging that none of these terms are uncontested.


3. Some improvements in Burmese organizations’ room for maneuver since 2011 are acknowledged by my respondents; however, the situation has not changed completely as many organizations are still testing the waters and continue to experience certain levels of repression.

4. Buddhist leaders have also been involved in political struggles against oppression by the British colonizers and the subsequent military governments. The question to what extent Buddhism in Myanmar can be considered ‘politicized’ forms a separate debate that is beyond the scope of this paper.

5. In 2014, China announced plans to initiate an Asian Infrastructure Investment Bank to fund various infrastructure projects in Myanmar and other regional countries (Brookes, 2014).


7. See http://data.worldbank.org/indicator/DT.ODA.ODAT.PC.ZS

8. ‘Logframe’ stands for ‘logical framework,’ a standardized way to determine the content, output, and goals of a particular project. ‘SMART’ refers to goals that are specific, measurable, achievable, realistic, and time-based. See Edwards and Hulme, 1998, p.13.

9. For an example of a donor-funded manual, see the ‘top download’ on the website of the Yangon-based Local Resource Centre that seeks to empower civil society organizations: http://lrcmyanmar.org/en/system/files/book/5.a_proposal-writing_english.pdf

11. His comments referred specifically to the World Bank and the Asian Development Bank, which were not active in the country when I initiated my research, but later returned in response to the political liberalization. The many companies that started entering the country reportedly also made use of ‘consultation meetings,’ where in reality information about plans that affected people’s livelihoods was only conveyed in one direction.

12. See http://stuffexpataidworkerslike.com/2011/02/16/24-facipulation/


14. Hargrave (2014) describes the Thai government’s attempt to encourage repatriation of Burmese refugees since 2011, but especially since the new Thai leadership after the coup in May 2014.
References


