Local
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Mapping

THE STATE OF LOCAL GOVERNANCE: TRENDS IN SHAN

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Gerhard van 't Land
Myanmar Survey Research

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UNDP MYANMAR

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Acronyms

BSPP	Burma Socialist Programme Party
CD	Community Dialogue
CDF	Constituency Development Fund
CRC	Citizen Report Card
CSO	Civil Society Organisation
DMA	Department of Municipal Affairs
DP	Democratic Party
DRD	Department of Rural Development
EO	Executive Officer (Municipal Affairs Department)
GAD	General Administration Department
GoM	Government of Myanmar
HoD	Heads of Departments
KNP	Kayan National Party
MIMU	Myanmar Information Management Unit
MMK	Myanmar Kyat
MSR	Myanmar Survey Research
NGO	Non-Governmental Organisation
NLD	National League for Democracy
NUP	National Unity Party
PNO	Pa'O National Organisation
PRF	Poverty Reduction Fund
RDF	Rural Development Fund
RHC	Rural Health Centre
SAA	Self-Administered Area (Zone or Division)
SAD	Self-Administered Division
SAZ	Self-Administered Zone
SLORC	State Law and Order Restoration Council
SNLD	Shan Nationalities League for Democracy
SoLG	State of Local Governance (report series)
SPDC	State Peace and Development Council
TA	Township Administrator
TDSC	Township Development Support Committee
TFMC	Township Farmland Management Committee
TMAC	Township Municipal Affairs Committee
TMC	Township Management Committee
TMO	Township Medical Officer
TPIC	Township Planning and Implementation Committee
TPO	Township Planning Officer
TS	Township
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USDA	Union Solidarity and Development Association
USDP	Union Solidarity and Development Party
VT	Village tract
VTA	Village Tract Administrator
VTDSC	Village Tract Development Support Committee
W/VTAs	Ward and Village Tract Administrators
WA	Ward Administrator
WDSC	Ward Development Support Committee

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Executive Summary

This report aims to map the state of affairs and the evolution as witnessed over the past years with regards to governance reforms and service delivery, in particular for the sectors education, health and water supply, in Shan State. It provides a historical background to contextualise the present governance situation in Shan, which differs from all other Regions and States; it provides information on the various recent elections in the State; it seeks transparency of the State budget, and, against this background, it pays particular attention to the perceptions of citizens' regarding the changes they have witnessed. It finally tries to make the link between good local governance and the quality of service delivery, whereby it looks at aspects of decision-making powers in relation to budget discretion, the availability of budget envelopes, oversight and accountability.

Shan State takes a special place amongst the fourteen Regions and States in the country as, in terms of area the biggest of all, covering almost 25% of the entire nation, and in terms of population by far the biggest of all States. Arguably, Shan State has the largest ethnic diversity amongst its population of all fourteen Regions and States. Related to this diversity - its location and the physical features of the terrain making it perfect for a natural border zone - Shan State has played an important role in the history of Myanmar. As far as the most recent history is concerned, this starts with the special position that was negotiated in the Panglong agreement, where Shan State was given the right to exit the Union after a period of 10 years if it would prefer to do so (and which it did not do).

As much as the recent serious flaring up of fighting (early February 2015) in the Laukkaing area illustrates that peace and stability cannot yet be taken for granted, the earlier open conflicts in Shan State, which were as much based on economic interest as ethnic differences, seemed to have already for some time reached a situation of agreed status quo, amongst others reflected by the number of Self-Administered Areas as enshrined in the Constitution of 2008, and which are described as part of the local governance set-up in this report.

Shan State is distinctly different (and also more complicated), as compared to most other Regions and States, but the mapping of local governance and service delivery also found a number of similarities with the findings in other areas. Overall, in Shan State, as in all other Regions and States, people clearly acknowledge the improvements in service delivery, notably for road infrastructure, education, health and, although to a lesser extent, water supply. People mentioned access to safe drinking water as the largest challenge in service delivery and people also asked for enhanced investments in this sector.

As in other Regions and States,* people in Shan ask for more information from government, whilst they bestow (also in terms of information flow) a pivotal role on the indirectly elected Ward and Village Tract Administrators (W/VTAs), whom they consider more and more as a local development change agent. To support this process and to be able honouring the expectations of W/VTAs as 'intermediary' between the people and the township administrations, some dedicated capacity development activities may be indicated, both addressing the W/VTAs as well as the township administrations.

* See for the other 13 reports the website: http://www.mm.undp.org/content/myanmar/en/home/operations/projects/poverty_reduction/LocalGovernancePillar1/local-governance-mapping/

The findings from Shan State point to a need to streamline the ideas around the institutional set-up of the township administrations, as there are, for example, too many committees with unclear and overlapping mandates, which will in the longer run obstruct the quest for increased transparency and accountability.

1. Introduction to the Shan State Local Governance Mapping

Figure 1: Map of Myanmar and surrounding countries

1.1 Shan State – some striking features

Shan State, in the eastern part of northern Myanmar, is bordering China, Lao PDR and Thailand. With its rugged, yet not completely mountainous terrain as found in the more northern Kachin State also bordering China; its location next to the economically important Yunnan province; and its borders with the -during the colonial period French dominated- south-eastern part of Asia, Shan has for long been a strategic buffer area that several times enjoyed the dubious privilege of being caught in the middle, which some claim, has emboldened the political resolve of its people.[1]

Shan State is, area wise, the biggest of all 14 regions and states covering almost a quarter (23.2%) of the entire country, and in size comparable to Bangladesh or Nepal. With 5.8 million people (census 2014), Shan is the 5th biggest of all States and Regions in terms of population after Yangon, Mandalay, Ayeyarwady and Sagaing regions (see Table 1). As such, Shan is by far the biggest of all 7 States, and an important player in the socio-political constellation of the country.

Regions / States[2]	Census 1983		Census 2014		Average Annual Growth	Land area		Population density pers/km²
	#	%	#	%		Km²	%	
1. Kachin	904,000	2.6%	1,689,654	3.3%	3.05%	88,980	13.3%	19.0
2. Kayah	168,000	0.5%	286,738	0.6%	2.60%	11,760	1.8%	24.4
3. Kayin	1,058,000	3.0%	1,572,657	3.1%	1.90%	30,327	4.5%	51.9
4. Chin	369,000	1.0%	478,690	0.9%	1.25%	36,277	5.4%	13.2
5. Sagaing	3,856,000	10.9%	5,320,299	10.3%	1.55%	93,873	14.0%	56.7
6. Tanintharyi	918,000	2.6%	1,406,434	2.7%	2.05%	41,061	6.1%	34.3
7. Bago	3,800,000	10.8%	4,863,455	9.5%	1.20%	38,867	5.8%	125.1
8. Magway	3,241,000	9.2%	3,912,711	7.6%	0.90%	45,025	6.7%	86.9
9. Mandalay	4,581,000	13.0%	6,145,588	12.0%	1.40%	30,999	4.6%	198.3
10. Mon	1,682,000	4.8%	2,050,282	4.0%	0.95%	11,242	1.7%	182.4
11. Rakhine	2,046,000	5.8%	3,188,963	6.2%	2.15%	35,020	5.2%	91.1
12. Yangon	3,974,000	11.3%	7,355,075	14.3%	3.00%	9,917	1.5%	741.7
13. Shan	**3,719,000**	**10.5%**	**5,815,384**	**11.3%**	**2.15%**	**155,672**	**23.2%**	**37.4**
14. Ayeyarwady	4,991,000	14.1%	6,175,123	12.0%	1.00%	33,705	5.0%	183.2
15. Nay Pyi Taw	0	0.0%	1,158,367	2.3%		7,069	1.1%	163.9
TOTAL	**35,307,000**	**100%**	**51,419,420**	**100%**	**1.80%**	**669,794**	**100%**	**76.8**

Table 1: Population (1983 and 2014), area and density 2014, for all 14 regions

Source: MIMU, 2014 / Census 2014 are official provisional data; Area data GIS measurement done on request.

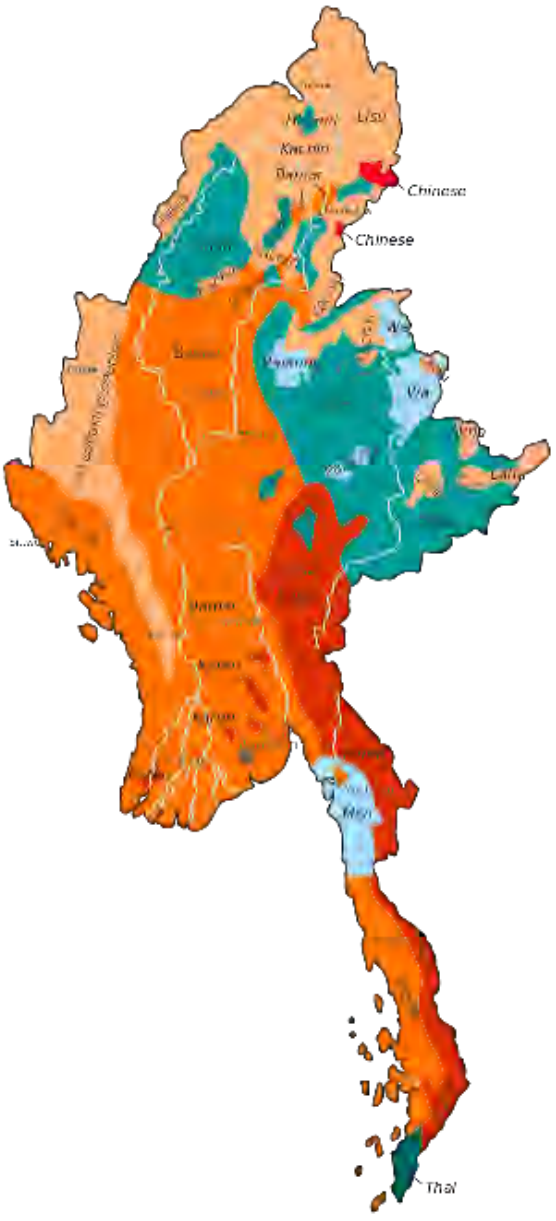
Shan State is amongst the areas in Myanmar with the greatest ethnic diversity. On the list of the 135 officially recognised ethnic groups in Myanmar, Shan (with 33 different groups) ranks second after Chin (with 55 ethnic groups). However, when looking at language families (see Figure 2), whereby all Chin ethic groups fall under the same family, in Shan State at least eight different languages are spoken by different ethnic groups, and hence can claim to be most ethnically diverse; Apart from Shan, spoken by the mostly bilingual Shan people (speaking Shan and Bamar) and those speaking Kachin, a number of other ethno-linguistic groups are traditionally recognised, such as the Kokang (Chinese language group), the Danu, the Pa'O and the Lahu (all part of the Tibeto-Burman language group) and the Wa and Palaung (both falling in the Austroasiatic language group).

1. See T*wilight over Burma - My life as a Shan* princess by Inge Sargent and its foreword by Bertil Lintner.
2. Regions and States presented in the order of the Myanmar alphabet, with exception of Nay Pyi Taw.

Linked to its ethnic diversity, another aspect that sets Shan State apart from the other regions and states is the number of, constitutionally embedded self-administrative areas, such as the Wa Self-Administrated Division (SAD) in the north-east of Shan State; and the Self-Administrated Zones (SAZ) of Kokang, north of Wa also bordering China, Palaung, also in the north and Danu and Pa'O, the latter spread over two areas, in Southern Shan.

The borders of Shan (and hence the borders in this part of the country) are the result of negotiated and sometimes arbitrary decisions between the then colonial powers, and between the government of Myanmar and neighbouring countries and do cut across ethnic and linguistic lines.

Figure 2: Ethno-linguistic map of Myanmar (1972)



Source:
http://en.wikipedia.org/wiki/List_of_ethnic_groups_in_Burma#mediaviewer/File:Ethnolinguistic_map_of_Burma_1972_en.svg

Note of caution:
Linguistic maps include an element of judgement and are never precise. This also applied to the above map, which we have nevertheless included because it shows for Shan the background of at least 3 of the 5 Self-Administered Areas, but it also shows the background to some of the seven ethnic constituencies recognised for the Shan Hluttaw.

1.2 Shan State – Administrative division

Administratively, Shan State is composed of 55 townships, more than any other region or state (see Figure 3).[3] Three townships (Narphan, Pangwain and Mongmao), all in the Wa Self-Administered Division, only have village tracts and no (urban) wards.

Because of its size, and certainly for the organisational arrangements of government departments, the area was in the past sub-divided for administrative purposes into Shan South (where the State capital Taunggyi is located), Shan North (with Lashio as centre) and Shan East (with Kengtung as centre). Although that subdivision no longer officially exists, still, for many government departments the State level director is seated in Taunggyi, while deputy directors are being stationed in Lashio and Kengtung respectively, and as such forming some sort of an administrative intermediate level.

The four above mentioned Self-Administered zones are each composed of two to three townships (see Table 2). For Danu, Palaung and Pa'O, these Self-Administered Zones are part of a district, but in the case of Kokang SAZ, the two townships cover the entire district - and as such Kokang SAZ coincides with an entire district.

Wa Self-Administered Division (SAD) is composed of 2 districts, each having 3 townships. Hence, in terms of administrative boundaries, Shan State presents as a patchwork with a variety of different arrangements.

Overall, the 4 SAZs and the Wa SAD cover 15 (or 27%) of the total number of 55 townships, accounting for almost a quarter (24.5%) of the population in Shan State and covering almost one-fifth (19.4%) of the total area, reflecting that the population density in the SAD/SAZs is slightly above the average for the State.

As will be argued in this report, in terms of governance structures and in the way services are provided, the self-administered zones are fairly similar to the other townships; government presence and coverage for those SAD/SAZs is more or less similar as in other areas. However, there are other, less well defined and delineated parts of Shan State where government presence is less as these areas are governed by rebel armies that operated under a political banner whilst often being closely associated with economic interest. Although beyond the scope of this report, it needs to be mentioned here for proper contextualisation, that another feature of Shan State is its belonging to the 'golden triangle', where much of the world's opium, heroin and meth-amphetamine (yaba) is produced, and which is an important, yet illegal, contributor to the states' economy, that for its markets makes, amongst others, use of the countries eastern borders.

3. The region with the second highest number of townships is Yangon with 45, followed by Sagaing (38) and Mandalay (30).

Figure 3: Townships and self-administered zones of Shan

1.3 Focus, Objectives and structure of the report

This report is one out of a series for all 14 Regions and States, that seek to describe the observed and perceived trends in governance structures for public service delivery against the backdrop of the aspects of democratisation and decentralisation as embedded in the on-going reforms. All reports, based on similar fieldwork and data collection, present peoples' perceptions on the changes they have seen over the past couple of years, but at the same time, for each state and region, the reports also endeavour to highlight some area-specific governance features, which for Shan State include the Self-Administered Areas.

Following this introduction, Chapter 2 describes the governance structures and institutional arrangements at state level. It provides an overview of the most recent elections (as an example of people's participation through representation), but also describes the executive wing of the state government and presents data on the state budget.

Chapter 3 focuses on the participatory mechanisms put in place at the township level, but also the governance features of the Self-Administered Areas are compared with those of the townships.

In Chapter 4, as part of the 360-degree observation, the perspective is changed to a citizens' view of the governance institutions and their perceptions of development problems and changes in the quality of service delivery. For the latter, the mapping concentrated on three basic services: basic education, primary health care and water supply. The chapter is largely based on the results of Community Report Cards (CRC) for which 768 people were interviewed in 16 wards and village tracts in 8 townships (see Annex 1 for a description of the methodology). In this chapter, also a summary is provided of the outcome of community dialogues held in the same wards and village tracts with participation of both service providers and service users.

Chapter 5 brings the various strands of argument together and analyses changes in the governance attributes of participation, budget discretion, oversight and accountability in relation to the generally acknowledged quality of service delivery, and makes some explicit recommendations to enhance the pivotal role of W/VTAs and a government information campaign.

Table 2: Shan State, Population and Area, by township and self-administered areas

Sub state	District	Self administered areas	Township	# of urban wards	# of village tracts	Census 2014		Total area in km²	Density pers/km²
						Total	%		
South	1. TAUNGGYI		1. Taunggyi	51	24	437,018	51.3	2,014	217.0
			2. Nyaungshwe	8	35	188,602	50.2	1,482	127.3
			3. Lawksawk	14	18	164,542	48.7	5,162	31.9
			4. Pekon	7	12	103,665	49.4	2,079	49.9
			5. Kalaw	23	25	186,019	50.0	1,460	127.4
		Danu SAZ	6. Pindaya	12	27	79,846	51.7	630	126.7
			7. Ywangan	3	29	82,400	50.1	2,989	27.6
		Pa'O SAZ	8. Hopong	6	22	111962	50.4	2,934	38.2
			9. Hsihseng	6	13	152,755	51.1	2,077	73.5
			10. Pinlaung	13	25	192,277	50.4	3,405	56.5
	2. LOILEN		11. Loilen	8	19	124,411	51.4	1,329	93.6
			12. Laihka	4	19	49,586	52.2	2,813	17.6
			13. Nansang	11	20	116,634	49.2	3,693	31.6
			14. Kunhing	11	14	53,478	50.2	2,767	19.3
			15. Kyethi	11	31	74,215	52.2	3,765	19.7
			16. Mongkaing	5	24	74,233	52.7	3,797	19.6
			17. Monghsu	7	17	72,584	50.0	1,652	43.9
	3. LANGKHO		18. Langkho	11	14	40,160	49.6	5,224	7.7
			19. Mongnai	12	14	39,403	49.3	3,235	12.2
			20. Mawkmai	7	8	33,840	50.9	2,454	13.8
			21. Mongpan	4	10	25,845	46.6	2,723	9.5
North	4. LASHIO		22. Lashio	12	75	321,861	50.9	3,862	83.3
			23. Hseni	4	32	56,666	49.6	1,805	31.4
			24. Kunlong	6	25	58,762	47.3	876	67.1
			25. Mongyai	3	25	59,312	52.2	2,417	24.5
			26. Tangyan	10	49	172,042	51.5	4,862	35.4
	5. MUSE		27. Muse	24	63	170,730	48.4	1,788	95.5
			28. Namhkan	14	43	107,009	52.0	1,570	68.1
			29. Kutkai	16	68	174,467	49.9	4,099	42.6
	6. KYAUKME		30. Kyaukme	20	71	171,144	51.7	3,932	43.5
			31. Nawnghkio	6	35	149,495	49.4	3,278	45.6
			32. Hsipaw	11	67	175,873	51.1	5,276	33.3
			33. Namtu	2	21	50,279	51.5	1,625	30.9
		Palaung SAZ	34. Namhsan	6	26	71,984	54.5	1,508	47.7
			35. Manton	3	28	38,643	51.8	2,523	15.3
	7. MONGMIT		36. Mongmit	4	28	62,838	50.2	2,709	23.2
			37. Mabein	3	16	47,326	48.3	5,045	9.4
	8. LAUKKAING	Kokang SAZ	38. Laukkaing	6	8	94,843	47.4	776	122.2
			39. Konkyan	6	8	59,905	48.3	1,082	55.4
	9. HOPANG	Wa SAD	40. Hopang	23	54	326,845	49.0	1,332	70.8
			41. Pangwain	0	19			1,492	
			42. Mongmao	0	40			1,791	
	10. MATMAN		43. Matman	2	28	215,642	48.5	2,977	27.6
			44. Pangsang	6	85			3,151	
			45. Narphan	0	34			1,677	
East	11. KENGTUNG		46. Kengtung	5	31	171,272	48.8	3,544	48.3
			47. Mongping	7	29	68,508	49.0	6,084	11.3
			48. Mongkhet	2	16	25,012	48.6	2,538	9.9
			49. Mongyang	13	15	56,640	48.8	2,750	20.6
			50. Mongla	2	9	43,145	48.3	1,971	21.9
	12. MONGHSAT		51. Monghsat	6	27	104,529	47.2	4,664	22.4
			52. Mongton	11	16	70,100	45.3	5,217	13.4
	13. TACHILEIK		53 Tachileik	18	13	176,877	49.1	3,968	44.6
			54. Monghpyak	3	22	30,494	46.9	2,077	14.7
			55. Mongyawng	10	20	79,666	47.5	4,662	17.1
	Total			**498**	**1,566**	**5,815,384**	**50.0**	**156,613**	**37.0**
		Total SAAs	**15 out of 55 townships**	**92**	**446**	**1,427,102**	**49.9%**	**30,344**	**47.0**
				18.5%	**28.5%**	**24.5% of population**		**19.4% of total area**	

2. Overview of Governance structures and mechanisms at State Level

2.1 Introduction

Shan State's exceptional position relates to its size, being the biggest of all the ethnic States, to its location and its topography. In contrast to the lowlands of central Myanmar, Shan State occupies a hilly plateau, the Shan Plateau, with an average elevation of 1,000m asl, with some mountains rising up to almost 3,000m, dissected by a number of rivers, in particular the *Thanlwin* (*Salween* or *Namhkong*) River, which runs through the State from North to South. The area formed in the past kind of a natural border, or at least buffer zone, between the Anglophone and Francophone spheres of influence.

Perhaps more than any other of Myanmar's States and Regions, Shan is known for its specific identity and special status as the first among the predominantly non-Burman States. While its administrative structure follows that of other States and Regions, there are a number of features for which Shan State stands out. It is the only State that has several Self-Administered Areas (four 'Zones' and one 'Division'), which were established by the 2008 Constitution.[4] Shan State has a larger number of districts, townships and towns than any other State or Region in the country. Shan State ranks second for the number of urban wards (after Yangon Region) and only Ayeyarwady and Sagaing have more village tracts.[5]

Its history is characterized by conflict and challenges to consolidated state power, and although open armed confrontations have (until recent flaring up notably in Laikkaing area) been more sporadic since ceasefires with the many armed groups in the State were concluded in the late 1980 and 1990s, the legacies of ethnic conflict persist and a lasting peace settlement has yet to be found. The ongoing debates about the modalities and parameters of a lasting framework for peace are intrinsically connected to the situation in Shan State and in particular the successful establishment of inclusive governance arrangements at the local level.

2.2 Shan State - Socio-economic and historical context

2.2.1 Socio-economic background

Geography and topography, as well as armed conflict and lack of state control have shaped the socio-economic conditions for the inhabitants of Shan State for centuries, as well as the social and political organizations that have emerged in this context. While agriculture plays an important role in the economy of the state, as in the central lowlands of Myanmar, due to the variety of climate types, including those with more moderate temperatures, the variety of crops is much bigger and includes, besides rice, wheat and maize, groundnut, pulses and beans, fresh fruit and vegetables as main crops. There are also cotton, coffee, tea and tobacco plantations.[6] Livestock breeding and fresh water fisheries are also significant.

Inle Lake, near the State capital Taunggyi is Myanmar's second largest (after Indawgyi lake) and is famous for its natural beauty and cultural importance. It also is a major tourist destination, making that many (if not most) of the foreign tourist to the country to also visit Shan State, and thus has made tourism important for at least the area around the lake, notably Nyaungshwe Township, one of the eight townships selected for more detailed data collection (see Chapters 3 and 4).

4. The only other State/Region in the country with a (i.e. one) Self-Administered Zone is Sagaing Region, where Naga Self-Administered Zone, in the north west of the country, is covering three townships on the border with India.
5. See: http://www.gad.gov.mm/en/content/data
6. Shan State is also an emerging wine-producing area, with two established wineries, so far mainly serving the domestic market.

Natural resource extraction has always played an important role in the state's economy, and to this day Shan State is one of the major areas of Myanmar for mining (silver, lead, zinc, iron ore, coal, manganese, gold, rubies and gems), forestry (teak, hardwood, firewood, resin) and hydropower.

Its hilly and rugged terrain and the remoteness of some of its areas require a well-functioning roads and communications infrastructure for economic development. Unlike the large rivers of Central Myanmar, the Thanlwin River is not suitable for navigation, due to numerous currents, rapids and falls. Three railway lines operate in the State but the infrastructure is antiquated. As such, for its transport and economic development, the State is dependent on road infrastructure, but only a handful of bridges connect the two sides of the Thanlwin River, limiting east-west traffic. Two main roads, one in the north (from Mandalay via Hsipaw and Lashio to Namtit at the border with China, in Wa SAD) and one part of the Asia Highway in the south (connection central Myanmar with Tachileik at the border with Thailand via Taunggyi, Nansang, Mongping and Kengtung) serve as the main transport arteries. A handful of airports (in Heho for Taunggyi, Kengtung, Lashio, Mong Hsat and Tachileik), have regular flights to connect Shan State with the rest of Myanmar, either through Mandalay or Yangon.

The major new oil and gas pipelines from Rakhine State to China passes through (northern) Shan State, which further confirms the State's important strategic location as a gateway between China and the rest of Myanmar.

Many people are active in trading activities, including cross-border trade with near-by China and Thailand, with Muse and Tachileik being the most important trading centres along the border.

Its remoteness, vicinity to international trading routes and long history of conflict and governance problems have also made Shan State one of the main areas of narcotics production, and increasingly, also use of the same.[7]

According to the best available, but slightly out-dated data on poverty (the Integrated Household Living Conditions Assessment of 2009/10 published in 2011[8]), poverty in Shan State would rank above average. According to the study, that measured monetary poverty, based on expenditure levels for food and non-food items, about 26 percent of the country's population was estimated to be living below the poverty line, while the figures were 26% for Shan South while higher levels were noted Shan North and Shan East; with 37 percent and 46 percent respectively. This is a bit surprising, given the natural resources and the trading opportunities, but may be a reflection of the remoteness of parts of the State.

2.2.2 Demographics

One of Shan State's most striking features is the ethnic diversity of its 5.8 million inhabitants. As anywhere, ethnic identity is a fluid, intangible and often relational concept that is not suitable for being easily reflected in administrative mechanisms and political bodies. When

7. See a variety of UNODC reports on the subject. See also " The drug problem – An on-going political challenge in Burma", by Zin Linn, 27 August, 2013 at http://asiancorrespondent.com/112483/analysis-the-drug-problem-a-long-lasting-political-challenge-in-burma/
8. Published by UNDP; See http://www.mm.undp.org/content/dam/myanmar/docs/FA1MMRPovertyProfile_Eng.pdf

British colonial administrators tried to rationalize the multiplicity of Shan's (and generally Burma's) various social, cultural and linguistic communities, they introduced a number of defined and exclusive categories for administrative purposes, which tended to assume static and essentialist 'racial' identities.[9]

In the socialist period (1962-88), the government divided ethnic groups into nations (naingandha), which had their own titular States and nationalities (tainyindha). Classifications were often confusing, overlapping and controversial, but nevertheless these have to a large extent remained the basis for contemporary administrative practice. Accordingly, for Shan State, the government of Myanmar recognizes (according to the 1983 census) the following eleven major ethnic categories: Shan, Pa-O, Intha, Lahu, Lisu, Taungyo, Danu, Ta'ang/Palaung, Ahka (Kaw), Jinghpaw (Kachin), and Wa. Other groups are Kokang, Yinnet and Yinkya.

The general geographic distribution is Shan, PaO, Danu, Intha, Taungyor, Kayin in the southern part, Shan, Palaung, Kachin, Lisu, Kokang, Maingtha in the north, and Lahu, Wa, Akha, Myaungzi and Yun in the east. There are also people in Shan who belong to the Bamar (mostly in the urban centres), Kachin and Kayin/Karen groups, as well as Chinese, Indian and others.[10] The ethnicity of individuals is registered in identity cards and is the basis for, among other things, voting rights for certain positions in the State.

In the past, censuses included data on ethnicity allowing to establish the numerical strength of each group. This required that people selected and officially stated to which group they considered themselves as belonging.

The Shan (who call themselves Tai) have been subdivided (e.g. for the purpose of the 1983 census) into 33 subgroups, and speak a language spoken in around 11 dialects but is the most widely used beside Myanmar (Burmese) and is related to Thai and Lao.[11]

For centuries, the Shan people (especially in the western parts of the State) have been exposed to 'Burmanization' (and many Shan certainly those outside Shan State, but also those within nowadays often speak Myanmar), but also 'Shanization', that is deliberate efforts to homogenise and standardize cultural and ethnic attributes among the many Shan groups, for instance through the promotion of a modernized standards Shan script, which has been taught in schools since the 1980s, as well as state-controlled cultural festivals.[12]

Most inhabitants of Shan State are Buddhists, but there are also a number of Christian denominations, especially among the smaller ethnic communities; whilst Muslims have inhabited several of the larger towns for centuries. Although communal violence between Muslims and Buddhist has been much less wide-spread in Shan State than in the central Myanmar Regions or Rakhine State, the mob attack on the Muslim community and the arson of the Lashio mosque in May 2013 signalled that Shan State may not be totally immune against this new form of instability.

9. These were recorded and described, among others, in the Gazetteers of Upper Burma and Shan States, published in 1900 and 1901.
10. See Figure 2.
11. The 1983 census found that the Shan group comprised almost 2.9m people (or 8.5% of the overall population) and was mostly located in Shan State, but also in Kachin and Sagaing as well as the larger cities.
12. For a detailed analysis of the complexities related to Shan identity, see the classical references for Myanmar ethnology and anthropology such as E.R. Leach's Political Systems of Highland Burma (1954). A more recent overview can be found in the essay "Who are the Shan? An ethnological Perspective" by Takatani Michio in Ethnic Diversity in Burma, by Mikael Gravers (ed.) (2007).

2.2.3 Historical context

Shan's contemporary situation can only be properly understood if placed in its historical context. Shan State's history is as old as Myanmar/Burma itself, even though it never existed as a single and consolidated unitary entity or kingdom in the past. Rather, it has seen a succession of contests for prominence between different smaller states, united to some extent by culture, language, religion and economic relations, but engaged in long-standing rivalries and wars between each other and with neighbouring regions for centuries. According to legend, the Shans had come to their present area with the Mongols, who destroyed the Pagan Kingdom in 1287, and settled in the Shan plateau to set up a number of small states. The reach of these historical Shan states, which were multi-ethnic feudal entities by today's categories, extended at times as far as Assam, Northern Thailand and Southern China, and often included parts of central and northern Myanmar. The Burmese Kingdom of Ava, itself founded by burmanized Shans, was subjected to frequent raids by Shan states, and finally succumbed to a Shan confederation in 1527.

Thereafter, the Taungoo Kingdom succeeded in conquering the Shan plateau and subdued the most powerful Shan states Mohnyin and Mogaung (which were located in what is today Kachin State). While formally subjected under the suzerainty[13] of the king in Taungoo, the local princes, known as sawbwas (in Shan 'saopha'), however were allowed to retain their privileges and continued to rule their subjects.

In the first half of the 18th century, some Shan states paid tribute to both the Burmese and Chinese dynasties, and during the Qing Dynasty, the area came under increasingly strong influence of China. Yet, after the Sino-Burmese War (1765-69) and the reassertion of Burmese overlordship in the late 18th century by the Burmese Konbaung Dynasty the boundaries between China and Myanmar was roughly settled at their present location. Contests with both China and Thailand over the exact extent of boundaries, however, continued well into the 20th century.

In the mid to late 19th century, the Burmese Kingdom, reduced to Upper Burma after the First and Second Anglo-Burmese War, retained formal suzerainty over the Shan states, but de facto they essentially operated as self-governing entities.

After the British Empire had taken Mandalay and ended the Burmese kingdom in 1885, it took them till 1890 to establish British domination over the whole territory of the Shan states.[14] Following this defeat, however, the Shan states were still allowed to continue to function according to their traditional forms of governance, and as the British had decided to rule through the sawbwas, at least initially, they were able to retain a degree of their power, under a similar arrangement as the Burmese kingdom had practiced before.

While this arrangement allowed the sawbwas to continue to enjoy a privileged status and govern their communities according to their customs, like the pre-colonial state, the British denied the sawbwas control over forests, mines and mineral resources granting exploitation contracts mainly to British firms.[15] The British colonial administration was gradually

13. The right of one country to partly control another country. It differs from sovereignty in that the tributary enjoys some (often limited) self-rule. It may refer to a situation where a dominant state controls the foreign relations of a vassal state but allowing it sovereign authority in e.g. part of its internal affairs.
14. It took until 1895 to get the last sawbwas to pledge allegiance to the British crown.
15. The State in Myanmar, R.H. Taylor (2009).

extended over the Shan states and external influences began to change social and economic relations, education, and communications in the late 19th and early 20th century.

The traditional Shan States at the time had an area between 30 and 30,000 square kilometres[16] (as compared to 630 to 6,100 km^2 for the present townships). Those in the position of chiefs had been given the title sawbwas being the most important, and lower ranks were known with the titles of myo-sas or ngwegnun-hwus. The position of chief was in principle hereditary, but contingent on good behaviour.[17] Under the Burma Laws Act of 1898 the civil, criminal and revenue administration of every Shan State was vested in the respective Chief of the State, subject to any restrictions imposed by the British Governor.

The Shan States were divided into a Northern Shan group and a Southern Shan group, and each put under the supervision of a designated colonial administrative official called Superintendent. In practice the Superintendents and ultimately the Governor had complete freedom to overrule and/ or dismiss any of the Shan chiefs and, guided by a 'Shan States Manual', gradually extended the application of legal enactments adopted for Upper Burma also for the Shan States, thereby slowly assimilating law and administrative practice.

In 1922, the Shan and the Karenni (the present Kayah) States were merged to create the Federated Shan States and placed under a Commissioner (who also administered the Wa States, which, however, remained separate from the Shan federation itself). Also in 1922, a Shan State Federal Fund was set up, maintained by contributions from the States and by receipts from minerals and forests, and supplemented by funds of Burma proper, calculated on the basis of what was due to the States on account of revenue accruing to Burma from within the States.[18] On this basis, the Shan States were financially self-supporting.

As the Federated Shan States thus remained outside the authority of the Legislative Council set up in Burma proper in 1923, Shan remained under the sole authority of the Governor alone. Special personnel for the administration of the 'backwards tracts' was provided by the Burma Frontier Service which was mainly recruited from the Superior Civil Service of Burma proper. In 1925, a separate Commissioner for the Shan States was instituted. By the late 1930s, there were 11 sawbwas, 11 myo-sas, and 4 ngwegnun-hwus in Northern Shan State, and 6 sawbwas in Southern Shan State. Up to 1935, there had been no attempt to administer the Wa country, but after the award by a boundary commission, delimiting the common border with China, the Was on the Burma side were formed into a new group of Eastern Shan States and placed under the supervision of the Superintendent of the Northern Shan States.

As in other parts of Myanmar, World War II had a significant and lasting impact on Shan State and its people. Like most of Myanmar, Shan was occupied by Japanese, while Thailand (then still called Siam) occupied and annexed the areas around Kengtung in 1942. However, after the collapse of Japanese occupation and the end of World War II, fighting in Shan State continued. Chinese Nationalist Kuomintang made numerous incursions into the Shan States and many fighters remained there during and after the Chinese civil war of the late 1940s.

16. The Governance of Modern Burma, J.S. Furnivall, 1960.
17. Several were disciplined or removed for debt or extravagance. The colonial government maintained its control over the sawbwas through the threat of dismissal from their tenure or the abolition of their state if they did not comply with the Superintendents' requirements. Fourteen states were abolished through amalgamation by not maintaining sawbwa-ships, thus making for larger, more efficient administrative units. Source: The State in Myanmar, R.H. Taylor (2009)
18. The Governance of Modern Burma, J.S. Furnivall, 1960.

In 1950, after the defeat of the Kuomintang on Chinese territory at the hands of the Chinese People's Liberation Army, the former invaded Eastern Shan State in an attempt to regroup there. In 1953, the Kuomintang almost captured the entire present Shan State area but were later repelled and reduced to controlling a number of areas along the border.

For the establishment of independent Burma after World War II, the inclusion of Shan as an integral part of the new country was of the highest priority for the interim Burmese leadership given its strategic location on the border with China and Thailand, as well as its economic potential. In the Panglong Conference in February 1947, the Shan leaders (all sawbwas), alongside representatives of Chin and Kachin, and General Aung San, on behalf of the interim Burmese government, agreed that while Shan (including former Wa states but without the Karenni states), would become part of independent Burma, a large degree of self-governance would be retained.[19] The Agreement stated that the Frontier Areas would in principle retain 'full autonomy in internal administration' and that the Government of Burma would 'not operate in respect of the Frontier Areas in any manner which would deprive any portion of these Areas of the autonomy which it now enjoys in internal administration.' The agreement furthermore enshrined the Federated Shan States' financial autonomy but also, in an apparent challenge to its traditional governance structure, guaranteed democratic rights to the citizens of the Frontier Areas.[20]

The United Hill Peoples' Council that was established in 1946, deputed 23 members, including 10 sawbwas to the 210-member Constituent Assembly. The present Shan State was created by the 1947 Constitution to comprise all the territories previously known as the Federated Shan States, as well as the Wa States (who had however not been represented in the Constituent Assembly). Under the constitution, the Shan and the Karenni peoples were given the right to secede -for whatever reason- from the union after 10 years of independence.

The 1947 Constitution guaranteed the Shan State representation in the Union parliament: 25 (of 125) members in the Chamber of Nationalities (the "upper house"), elected by the sawbwas among themselves and their close affiliates, and 25 (of 250) popularly elected members in the Chamber of Deputies ("lower house"), for which sawbwas were not eligible.[21] All elected representatives together formed a Shan State Council, that had certain guaranteed legislative powers.[22] A Minister for the Shan State of the Union Government at the same time served as the Head of the Shan State as the chief executive authority.[23] A Shan sawbwa, Sao Shwe Thaik, served as the first president of Burma (1948-1952).

19. The Panglong Conference followed the Aung San – Attlee Agreement of 27 January 1947 which had stated that the agreed objective of both Burma and the British Government was to "achieve the early unification of the Frontier Areas and Ministerial Burma with the free consent of the inhabitants."
20. Panglong Agreement.
(http://peacemaker.un.org/sites/peacemaker.un.org/files/MM_470212_Panglong%20Agreement.pdf/)
21. The Governance of Modern Burma, J.S. Furnivall, 1960. This arrangement which allowed for the direct representation of the sawbwas although they had no democratic legitimacy themselves was unusual in comparison with the other States, which did not have strong traditional institutions comparable to the sawbwas. It was a special arrangement applicable only to Shan State and a result of the negotiations between the AFPFL leadership and the Shan sawbwas following the end of World War II. It was originally intended only as a temporary arrangement, but despite repeated motions by the opposition "National United Front" after the 1956 elections, the AFPFL government retained it. It was removed by constitutional amendment by the military-led 'caretaker' government under General Ne Win in 1959.
22. The President had the power to submit Shan State laws to the Supreme Court for an ex ante constitutional review (Section 155, 1947 Constitution).
23. Meaning that the Shan State Council was not in the position to elect its own chief executive. As a result, there was an immediate controversy over this position, as the Prime Minister had appointed someone other than the person preferred by the sawbwas.

From the date of independence, the Shan State was in receipt of contributions from a fund voted annually by Parliament after negotiations between the State and the Finance and Revenue Ministry.[24]

In 1951, a third district, the Eastern Shan State, was created under a separate administrator (called 'Resident') to comprise four sub-states: the Northern Wa State, the Southern Wa and Manglun State, Kokang State and Kengtung State, each under an Assistant Resident. In 1956, a general territorial reorganization, which made the administrative machinery resemble that of Burma proper (i.e. the divisions under central government control) more closely. Alongside officers in charge of general administration there were departmental officials deployed to the various levels of administration. Three municipalities were functioning on the basis of Municipal Laws, Taunggyi, Kalaw and Loilem. In other places, experiments were being conducted with the introduction of village councils.

It had been the understanding of the Shan sawbwas that internally, Shan State would continue to function more or less as a federation of states as before, with the State Council simply substituting the role of the earlier Governor, and that the earlier Shan States would remain separate entities within the new (single) Shan State of the Union. However, during the 1950s there was increasing pressure on the sawbwas to relinquish their status. After protracted negotiations, the sawbwas in 1959 agreed to give up their hereditary status and political powers in exchange for a generous pension.[25]

In 1961, just after the resumption of parliamentary government after a two-year period of military rule, the Shan sawbwas convened to propose a new federal system of government for greater autonomy (although not explicitly threatening to use their constitutional right to secede.) General Ne Win used this move as one of the justifications for the 1962 coup d'état. By the time, Shan State had been affected by a growing number of rebellions and armed incursions, including by the Kuomintang, the Communist Party of Burma (CPB), a group called Young Warriors and the Shan State Army (SSA). Local warlords, with some support from China and Thailand, also began to foster and benefit from poppy cultivation in the area. In areas controlled by the Myanmar army Security and Administration Committees (SACs) were set up at the local level, which were chaired by the regional military commander, and by the (military) Minister of Home Affairs at the centre. From the 1960s to the 1980s Shan State was dominated by the efforts of the military to suppress the numerous armed insurgencies by often internally divided ethnic rebel movements.

The 1974 Constitution introduced the concept that States and Divisions had the same status. Shan State thus became one of the 'constituent units' of the 'Socialist Republic of the Union of Burma', made up of 7 States and 7 Divisions. People's Councils were introduced at all levels of government administration where the central government had control. The basic units of villages/village tracts and wards, towns and townships were established in Shan State along the lines of how they had been set up in Ministerial Burma (or Burma Proper) the 1920s.

In the 1960s and 1970s, the Burma Socialist Programme Party (BSPP) was built up as a mass organisation following the same territorial structure as the state itself, while all other parties were banned. The party nominally sought to embrace the country's ethnic diversity,

24. The Governance of Modern Burma, J.S. Furnivall, 1960.
25. Burma's Constitution, Maung Maung, 1960.

but subordinated any desire for self-governance or even cultural autonomy under central domination. From 1974 onwards, the BSPP's role in state administration was firmly entrenched in the Constitution itself. In the mid-1980s, the party claimed that over 2.3 million people were involved in fortnightly party cell meetings and other Party activities.[26] In Shan State, this new structure was established in those areas under central government control.

The new structure foresaw the holding of elections to the various administrative bodies at different levels where that was possible. For these elections, however, only candidates pre-screened and approved by the BSPP were allowed. While it was not mandatory that a candidate must be a member of the BSPP, in practice most of them were. In Shan State, such People's Councils were thus set up at State level and in areas under government control at the level of townships and ward/village tract. At the central level of government, the Pyithu Hluttaw served as the country's legislature, with each of Shan State's townships represented by at least one elected member.

In 1988, with the suspension of the 1974 Constitution, all participatory elements of the structure were essentially abolished, and Shan State was, as all other parts of the country that were under the effective control of the Myanmar army, once again placed under direct military administration. The territorial organisation remained the same, while the dominant role played earlier by the BSPP was essentially substituted by the military, in the form of the State Law and Order Restoration Council (SLORC).

The late 1980s and early 1990s saw the conclusion of ceasefire agreements with 17 armed groups country-wide, most of which based in Shan State. However, they did not have to give up their arms, and continued to control local areas. The most successful of these groups is arguably the United Wa State Army (UWSA), which is said to be heavily involved in the narcotics trade. The armed groups and the areas they control along the border have increasingly oriented themselves towards China, with Wa and Kokang using the Chinese currency and operating on China Time.

As a response to the ceasefire agreements, the Myanmar government set up a large-scale programme for the "Development of Border Areas and National Races" and designated 19 'border regions' covering more than a third of the country's area as beneficiaries of a special development fund. Of these, 8 were located in Shan State (PaO region, Kengtung/Kyaingtone East, Mawpha region, close to Kengtung, Wa region, Kokang region, Shan region, Palaung region and the Kachin/North-East region, the latter notably different from the two special regions of Kachin State itself).[27] Special emphasis was given to transportation, education, health and agricultural activities, including poppy eradication and substitution.[28] A Central Committee for the Development of Border Areas and National Races as well as various sub-committees and regional work committees were set up at central level and in the respective areas.[29]

26. Taylor, The State in Myanmar, 2009.
27. According to 'Myanmar: The Study of Processes and Patterns', Hla Tun Aung, Ministry of Education, 2003
28. UNDP and UNODC contributed to a number of these programmes.
29. In 1992, the Ministry for Progress of Border Areas and National Races was set up, and in 1993 the SLORC promulgated the Border Areas and National Races Development Law. In 1994, the portfolio of 'development affairs' (i.e. municipal affairs) was added to the portfolio of the Border Ministry, in order to expand its work area beyond the border areas into other urban (and rural) areas.

In Shan, the 27 May 1990 elections for 56 of the 485 seats in a new national parliament were held across Shan State except in Wa and Kokang[30] with sixteen parties competing and ten parties winning seats. They resulted in the Shan Nationalities League for Democracy (SNLD) led by Hkun Htoon Oo, winning 23 seats and thus becoming the strongest party in Shan State.[31] The National League for Democracy (NLD) won 22 seats. The Union PaO National Organization won three seats, and the Ta-ang (Palaung) National League for Democracy won two seats and six parties won a single seat each (see Table 3).

Table 3: % of the vote and % of the electoral seats, by party, 1990 hluttaw elections, Shan State

	Number of seats	% of seats
1. Shan Nationalities League for Democracy (SNLD)	23	41.1
2. National League for Democracy (NLD)	22	39.3
3. Union Pa'O National Organization	3	5.4
4. Ta-ang (Palaung) National League for Democracy	2	3.6
5. National Unity Party (NUP)	1	1.8
6. Shan State Kokang Democratic Party	1	1.8
7. Union Danu League for Democracy	1	1.8
8. Democratic Organization for Kayan National Unity	1	1.8
9. Lahu National Development Party	1	1.8
10. Union Nationals Democracy Party	1	1.8
11. Democratic League for National Races of Shan State	-	0
12. Kokang Democracy and Unity Party	-	0
13. Shan State Kachin Democratic Party	-	0
14. Wa National Development Party	-	0
15. Lisu National Solidarity	-	0
16. Inn-Tha National Organization	-	0
Total	**56**	**100**

One female representative was elected from Shan State.[32] But in the end it all mattered little, as the 1990 election results were never executed and did not lead to the formation of a national legislature, nor did they have any effect on governance arrangements in Shan State. Several of the candidates who had won seats in Shan State were either arrested or left the country.

In 1993, the military regime began to rebuild direct links with the population and established the Union Solidarity and Development Association (USDA). It gradually became the largest state sponsored mass organisation (claiming in 2005 that it had grown to 23 million members). As all over the country, USDA branches were set up in townships across Shan State, as in village tracts and wards where the government had control. Membership was "essentially compulsory for civil servants and those who sought to do business with or receive services from the state."[33] Division officers of the USDA were often prominent regional businessmen as well as military personnel and civil servants. In 1997, the SLORC was reorganized into the State Peace and Development Council (SPDC), which set up a pyramidal structure of similar committees down to the village tract/ward level wherever that was possible.

30. The elections in the six township constituencies of Konkyan, Narphan, Pangwain, Pangsang, Mongmao and Manphant were suspended.
31. The SNLD was also the largest component of the United Nationalities League for Democracy (UNLD), an ethnic alliance umbrella organization composed of the 25 ethnic opposition parties from seven States and some Divisions, whose members together won 69 seats. It was allied with the NLD.
32. Daw May Phyo (NLD) from Namtu constituency.
33. Taylor, The State in Myanmar, 2009.

In May 2008, the national referendum on the new Constitution was held. The new Constitution made Shan State a constituent unit of the new Union of the Republic of Myanmar, equal in status to the other States and Regions. It also established the five Self-Administered Areas (four Zones and one Division) in the State. Accordingly, its institutions were set up following the 2010 elections (see next chapter).

2.3 Shan State Government

2.3.1 Establishment of the State Government

The institutional framework for the Shan State executive branch follows that of other States and Regions and is prescribed in detail in the 2008 Constitution, as well as the respective laws adopted for the State and Region Hluttaws and Governments in 2010.

As for every government in each of the 14 states and regions, also for Shan State Government, a distinction can be made (and need to be made following principles of good governance), between the legislative branch of government -normally considered the superior branch as it is composed of peoples representatives; the executive branch; and the judicial branch.

As for all Regions and States in Myanmar, the first State Government for Shan under the 2008 constitution was established in 31st of January 2011 when Sai Lone Sai, elected member for USDP was appointed as Speaker of the State Hluttaw and Aung Myat (aka Sao Aung Myat), an ethnic Danu with a background as a military officer, as Chief Minister and head of the executive.[34]

2.3.2 The Legislative

The first State Parliament (State Hluttaw) for Shan under the Constitution 2008 was established in January 2011, following the historic general elections that were held on 7th of November 2010, being the first elections for decades since the aborted ones of 1990.

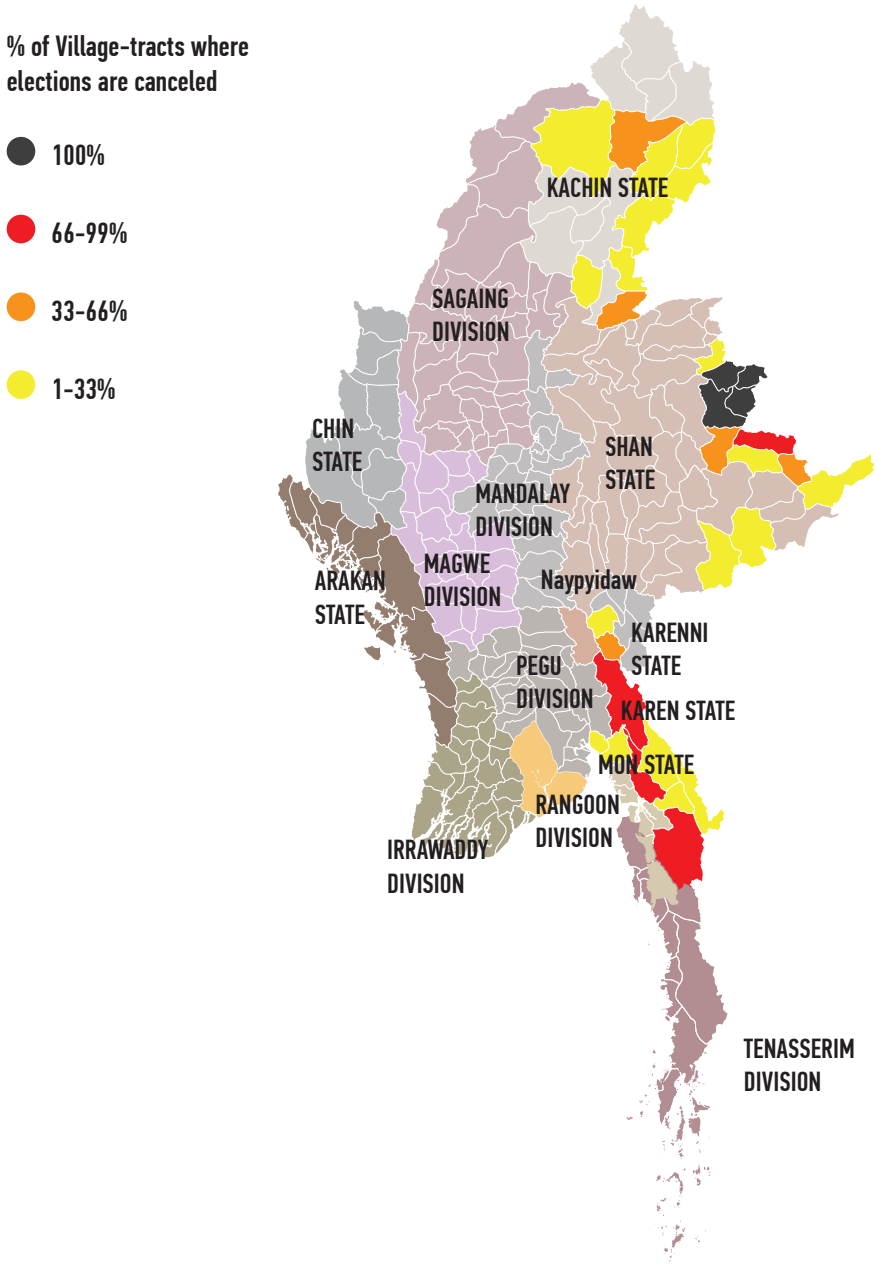
The 2010 elections simultaneously elected representatives to the two Houses of the Union legislature (Pyidaungsu Hluttaw) and to the State Hluttaw. They resulted in a victory of the USDP, which had emerged from the USDA a few months before the elections and had inherited its assets, networks and leadership, and gained a majority of the elected seats in all elected bodies including in Shan State. Due to security concerns or a lack of control by the state administration of some areas, voting was cancelled in five townships, four of which located in Wa SAD (see Figure 4). Voting in several other townships could take place only partially, as polling could not take place in a number of village tracts.

The elections for the members of the Shan State Hluttaw were contested on the basis of townships, which were each divided in two separate constituencies. As the State has 55 townships, 110 territorial constituencies were formed. In addition, 7 constituencies were set up for the Akha, Burman, Intha, Kachin, Kayan, Lahu and Lisu ethnic communities of the State, for whom voters registered as Akha, Burman, Intha, Kachin, Kayan, Lahu or Lisu were entitled to cast a vote in addition to their territorial constituency vote. Altogether, therefore, 117 members were to be elected for the State Hluttaw. Because of cancellation in 5 townships[35] affecting 10 constituencies, in total 107 representatives were effectively elected.

34. The Shan State Government is one of the first State / Region Governments to provide information to the general public through a dedicated facebook page: https://www.facebook.com/pages/Shan-State-Government-Office/393636547423666?fref=ts
35. Mongmao, Pangwain, Pangsang and Narphan, all in Wa SAD, and Mong La township in Kengtung district.

Figure 4. Percentage of village tracts where polling could not take place during the 2010 elections

Source: www.altsean.org



The USDP fielded candidates in 86 territorial constituencies, winning 49 including four of them unopposed, as well as for all 7 ethnic constituencies, of which it won five; hence it got 54 of the 107 elected seats. The SNDP fielded 76 candidates and won 31 of these, thus becoming (with 29% of the elected seats) the largest regional party represented in any State or Region Hluttaw.

The National Unity Party, despite garnering 12 percent of the votes cast, got one seat only; while a number of the other regional parties (with much less votes also because of a number of unopposed seats) won several seats.[36] The Inn National Development Party and the Kayan National Party each won one ethnic seat in addition to their territorial seats (two in Nyaungshwe township and one in Pekon-2 respectively). This raises the question why ethnic seats are required for parties that are able to gain seats on their own merit.

36. In total, 13 territorial seats in 8 townships (i.e. both constituencies in 5 townships and one constituency in three townships) were won unopposed. The USDP got 4 seats unopposed; The PaO National Organisation won two of its 6 seats un-opposed, while for the Palaung National League, all four seats were obtained unopposed. The Wa Democratic party won all ots three seats unopposed.

	Number of votes	% of the vote	Number of seats	% of seats
1. Union Solidarity and Development Party	1,047,291	47.5%	54	51,5%
2. Shan Nationals Democracy Party	466,662	21.2%	31	29,0%
3. National Unity Party (NUP)	278,303	12.6%	1	0.9%
4. Pa'O National Organization	114,155	5.2%	6	5,6%
5. Inn National Development Party	103,016	4.7%	3	2,8%
6. Ta-ang (Palaung) National League for Democracy	46,306	2.1%	4	3,7%
7. Kokang Democracy and Unity Party	16,090	0.7%	-	-
8. Kayan National Party	26,463	1.2%	2	1,9%
9. Lahu National Development Party	32,737	1.5%	1	0,9%
10. Wa Democratic Party	7,125	0.3%	3	2,8%
11. National Democratic Force	6,377	0.3%	-	-
12. Independent Candidates	59,848	2.7%	2	1,9%
Total	**2,204,373**	**100%**	**107**	**100%**

Table 4: % of the vote and % of the electoral seats, by party, 2010 Shan State hluttaw elections

Source: ALTSEAN

The relationship between the ethnic seats, the political parties and the SAA representation in the State Hluttaw is complex. There is no direct relation between the ethnic seats and the SAAs and both are mechanisms to ensure that minority groups are provided with a voice (and necessary status). Tables 5a and 5b summarise which parties gained the seats for the ethnic constituencies and in the SAAs, and presents a very assorted pattern.

Ethnic constituency	2010 State Hluttaw, Election results
Akha	No specific party; Seat taken by USDP
Burman	No specific party; Seat taken by USDP
Intha	The Inn Nationals Development Party won 2 territorial seats, both in Nyaungshwe township and the ethic seat, likely on the basis of the by and large the same voters
Kachin	No specific party; Seat taken by USDP
Kayan	The Kayan National Party took the seat for the Kayan ethnic constituency. Apart from that it only contested in Pekon township and won 1of the 2 seats;
Lahu	The Lahu National Development Party contested but lost the ethnic seat to the USDP; The party however won one territorial seat in Matman Township in Wa SAD
Lisu	No specific party; Seat taken by USDP

Table 5a: State Hluttaw Elections 2010, Seats for ethnic constituencies

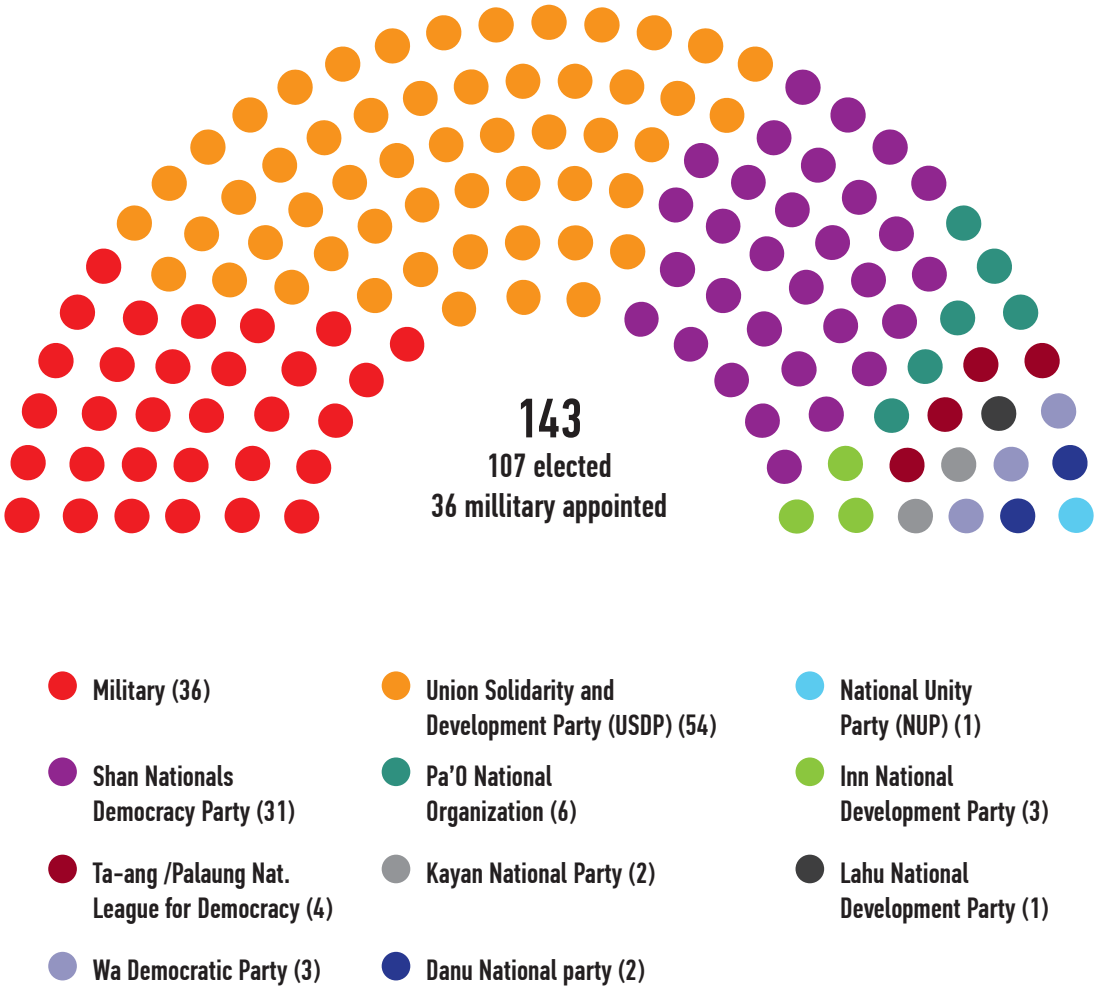
SAA	2010 State Hluttaw, Election results
Danu SAZ	In one of the two townships constituting Danu SAZ (Ywangan) TS), the two seats were taken by independent candidates who later joined forces and are now operating under the banner of the Danu National Development Party; In the other township (Pindaya) USDP won both seats
Pa'o SAZ	All 6 constituencies of Pa'o SAZ were taken by the Pa'o National Organisation - two of them unopposed
Palaung SAZ	All 4 constituencies of Palaung SAZ were taken by the Ta-ang/Palaung National League for Democracy
Kokang SAZ	In both townships of the Kokang SAZ, the USDP won unopposed.
	The Kokang Democracy and Unity Party contested in few constituencies outside the Kokang SAD but did not win a seat
Wa SAD	In 4 of the 6 townships constituting Wa SAD, the elections were cancelled. In the other two townships, the Wa democratic party won three of the the four seats, two in Hopang township (unopposed) and one in Matman; the other seat on Matman township was taken by the Lahu National Development Party that failed to win its 'own' ethnic seat

Table 5b: State Hluttaw Elections 2010, Seats for SAAs

The present composition of the State Hluttaw is shown below (Figure 5). Following the stipulations of the constitution, the army is entitled to nominate a number of seats equal to 1/3 of the number of elected seats thus taking one quarter of all seats, bringing the total number of seats to 143.

Out of those, the USDP thus holds 54 elected seats whilst the affiliated military occupies 36 seats. And although they control together some 63 percent of all seats, this is less than in any other state or region, which is especially the result of the position of the SNDP, but also the other parties hold almost 20 percent (21 out of 107) of the elected seats. As such the composition of the Shan Hluttaw should allow for a variety of 'voices' and good debate, but it also should be kept in mind that various of the smaller parties (like the Palaung National League, the Pa'O National Organisation, the Wa Democratic party, the Inn National Development Party and the newly created Danu National Party) first and foremost represent the people from small clusters of townships (i.e. almost territorial representation).

Figure 5: Present Composition of Shan State Parliament (February 2015)



The legislative activity of the Shan State Hluttaw has gradually accelerated and has been among the highest of any State or Region in Myanmar.[37] So far, the State Hluttaw has adopted 25 laws, most of them related to the minimum required State laws essential for budgetary and planning purposes.[38] Already in 2012, a Municipal Law was passed and was revised, as instructed by the central government, in 2013, to provide for partially elected municipal committees. The Shan Hluttaw also passed laws on village firewood plantation and vehicle transportation were also passed. One right, as provided for in the Constitution that the Shan State Hluttaw members have actively used is to show concerns by formally asking questions of the State Government. Some viewed this as an opportunity to counter a perceived lack of transparency in the State government, and to act as a "check and balance".[39]

All Hluttaw members are men. Given that each township has 2 representatives in the State Hluttaw, irrespective of size, whilst there is considerable variation in population size across townships (from 25,000 for Mongkhet up to 437,000 for Taunggyi), the number of people each elected Hluttaw member represents varies widely (see Figure 6). Relatively speaking, the smaller townships are (far) better represented. With 27.3 percent of the total number of townships (15 of 55) and 24,5 percent of the population, the SAAs are, population wise, represented slightly above average, but not substantially and in no comparison with the differences between the smaller and largest townships. Arguably therefore, women are to most under represented part of the population in the State Hluttaw.

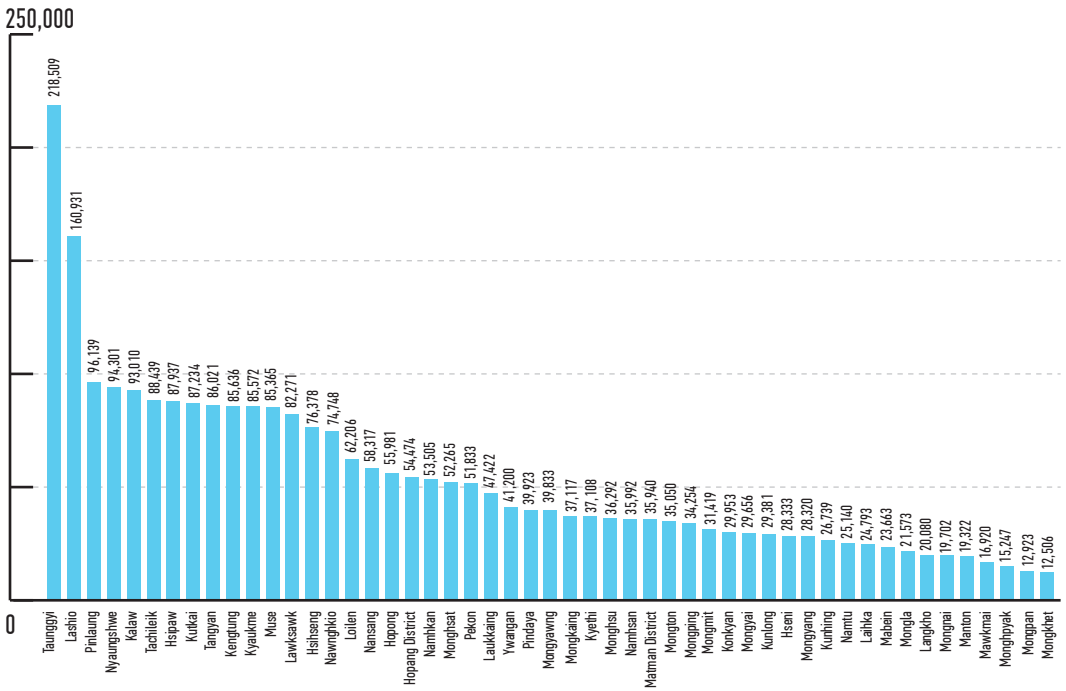


Figure 6: Number of people that each Member of the regional parliament represents, by township

37 CESD/TAF, State and Region Governments of Myanmar, 2012.
38. These laws essentially comprised of the State Development Plans and the Budget Allocation Law. The Municipal Act was passed in 2013.
39. CESD/TAF, State and Region Governments of Myanmar, 2012.

2.3.3 The Executive

The Shan State government is composed of a Chief minister, who is the head of the executive branch, nine ministers with a technical portfolio (similar to all other states and regions in the country), seven ministers representing ethnic minority groups; These are the Hluttaw members elected for the 7 ethnic minority constituencies; and the five -albeit without the title of Minister- chairpersons of the separately elected leading bodies in the Self Administrated Areas (see Table 6 and next chapter).[40]

In addition to the aforementioned Ministers, the Regional Advocate General is also member of the State's cabinet, while the Regional representative of the General Administration Department (GAD) of the Ministry of Home affairs serves as executive secretary to the cabinet (without being a member of that cabinet).

The Region Minister of Border Affairs is proposed by the military, from amongst the army appointed members of Parliament. The other Ministers are proposed by the Chief Minster and confirmed by the Hluttaw. Contrary to the Union legislature, members of the State executive do not have to resign from their seats in the Hluttaw once they join the State government. As a result, all of the Cabinet members who are elected Hluttaw members continue to serve in this double role, including at the constituency level and the management of the Constituency Development Fund (CDF).

Table 6: Shan State Regional Government - Members of the cabinet

	Cabinet Position	Person holding the position (Jan 2015)	Party
1	Chief Minister	Aung Myat	USDP
2	Minister of Security and Border Affairs	Col Aung Thu	Military
3	Ministry of Finance	Khun Thein Maung	USDP
4	Ministry of Planning and Economics	Aung Kyaw Nyunt	USDP
5	Ministry of Agriculture and Livestock Breeding	Hsa Lu	USDP
6	Ministry of Forestry and Mines	Sai Ai Pao aka Sai Aik Paung	SNDP
7	Ministry of Municipal Affairs (Development Affairs)	Hla Win	USDP
8	Ministry of Social Affairs	Myo Tun	USDP
9	Ministry of Communication (incl. road transport)	Sai Naw Kham aka Tun Tun Aung	SNDP
10	Ministry of Electric Power and Industry	Tun Yin	USDP
11	Minister of National Races Affairs (Akha)	Peter Thaung Sein	USDP
12	Minister of National Races Affairs (Burman)	Naing Win	USDP
13	Minister of National Races Affairs (Inn/Intha)	Win Myint	INDP
14	Minister of National Races Affairs (Kachin)	Zok Doung	USDP
15	Minister of National Races Affairs (Kayan/Padaung)	Law Rin	KNP
16	Minister of National Races Affairs (Lahu)	Shar Mwe La Shang	USDP
17	Minister of National Races Affairs (Lisu)	Whan Hsan aka Yaw Wi	USDP
18	Chairman of Danu SAZ	Htoo Ko Ko	USDP
19	Chairman of Pa-O SAZ	San Lwin	PaO NO
20	Chairman of Palaung SAZ	Maung Kyaw	USDP
21	Chairman of Kokang SAZ	Pei Sauk Chein	USDP
22	Chairman of Wa SAD	Khun Tun Lu	Wa DP
23	Advocate General	Maung Maung	n.a.
-	GAD / Secretary of Shan State Government	Myint Aung	n.a.

40. Only the Danu and Pa'O SAZ chairmen appear to be (more or less) regularly attending the cabinet meetings, such to the extent that several people interviewed indicated that the chairpersons were not member of the cabinet as stipulated in the constitution.

Of the nine technical ministerial portfolios, the USDP occupies six posts except those for the Minister of Security and Border Affairs, which is by constitution held by a representative of the military, and two that are held by SNDP representatives, namely the Ministries of Mines and Forestry and the Ministry of Communication. The appointment of ministers of the SNDP, being the largest regional party in the Shan State Hluttaw, to these two 'heavy weight' portfolios is an example of portfolio-assignment according to political significance.[41] This notwithstanding, both amongst the technical portfolios and in the cabinet overall, the USDP occupies 2/3 of all cabinet seats, in addition to the Chief Minister.

2.3.4 Organisational structure Shan State Government ('the executive')

The organogram for the Shan Government is shown in Figure 7. It shows that under the Chief Minster there are nine technical ministers, seven ethnic ministers and the five SAA chairpersons.

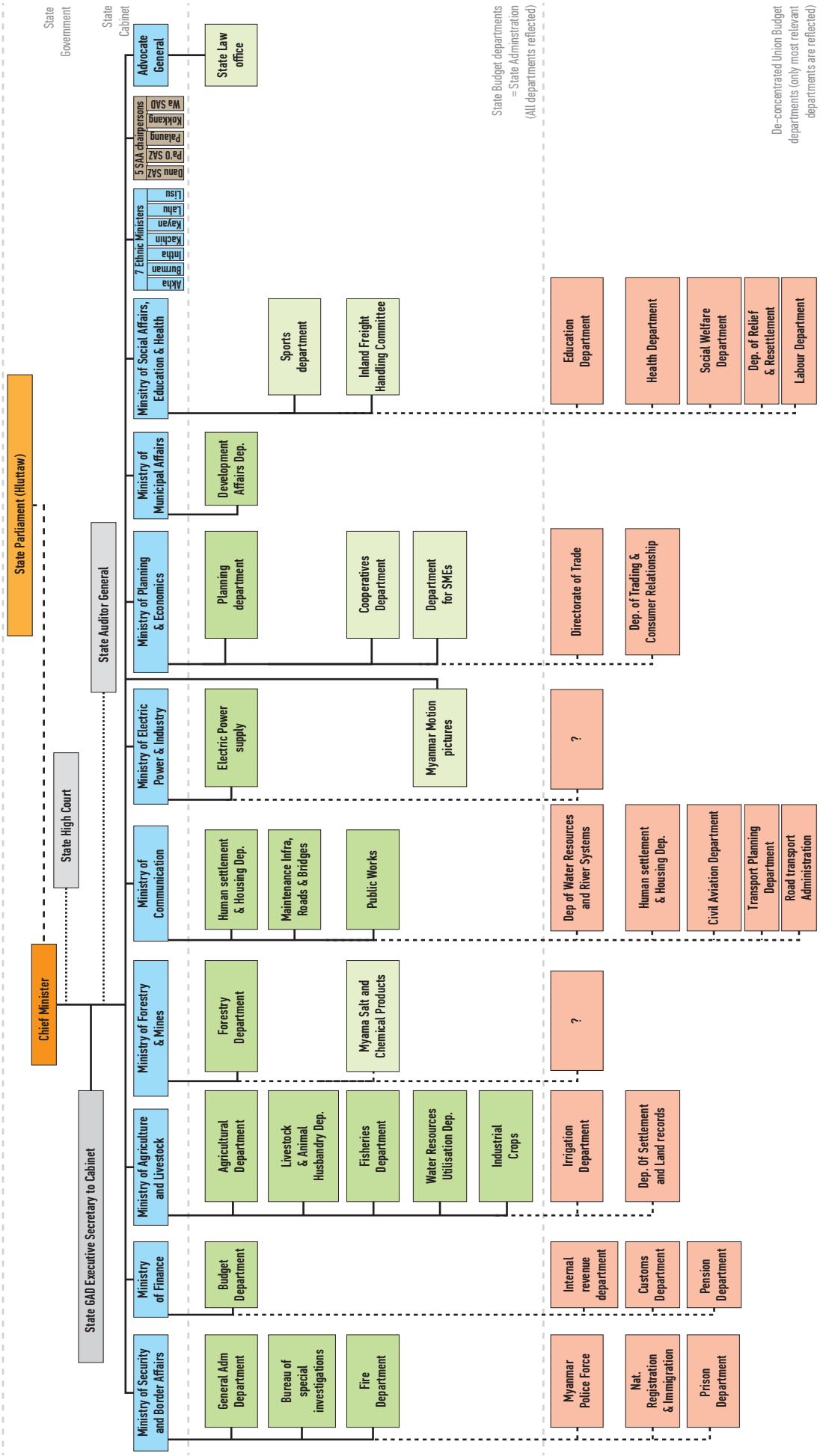
The Ministers have a little staff at best, but over the past years the budgets of some Union departments have been transferred to the State Budget (and have become so called 'State budget departments'), as a result of which some State Ministers have gotten real departments formally under their power. At present, and apart from the State Law office, there are 22 of such departments.

In Shan State, the Department of Myanmar Motion Pictures, as parastatal, falls directly under the Chief Minister all other departments have been allocated to one of the nine technical Ministers. Some ministers have been allocated departments that, given the name of the ministry, squarely fall under their portfolio. In other cases (the light green boxes in Fig 7) the allocation is more arbitrary. As much as the technical ministers head the State budget departments allocated to them, they also have a role of coordinating the Union departments as found in the State that fall under their portfolio (the orange boxes at the bottom of Figure 7). The latter is notably important for the State Minster of Social Affairs, dealing with Health and Education, who has a huge responsibility but largely through coordination only, as per the Constitution, the departments and their budgets have remained Union functions.
Because there is no Ministry of Home Affairs at the State/Region level, the departments falling at the Union level under the latter ministry, such as the General Administration Department (GAD) fall at State level under the military appointed State Minister of Security and Border Affairs.

In total there are 12 Cabinet members without portfolio or any department, being the Ethnic Ministers and the chairpersons of the SAAs. Only few of chairpersons (reportedly for Danu and Pa'O SAZs) regularly attend cabinet meetings, and therefore many do not consider the chairpersons as part of the Cabinet. In practice they appear to have a different status as compared to the other Ministers (hence the different colour in Figure 7).

41. See also CESD/TAF, The State and Region Governments of Myanmar (2012) where this view was advanced for the Ministry of Forestry and Mines, but the same seems to apply for the Ministry of Communication (Including Construction and Roads) taking almost 50% if the budget (see para 2.3.5 below).

Figure 7 : Organogram
Shan State Government



2.3.5 The Region Government Budget and Expenditure

The Shan State budget for 2014/15, as discussed and approved by the State Hluttaw is shown in Table 7.[42]

The lion share of the income for the Shan State government (90.1%) originates from a Union grant. Almost all department generate some income, but the amounts (as compared their costs) is relatively small, the exception being the department of Finance (where under the income the profits from Myama Salt, Myamar Motion Pictures and the Department of Public Works are reflected) and, more importantly, the Ministry of Municipal Affairs (also referred to as Ministry of Development Affairs) which is totally self-financing, meaning that the taxes and fees collected by the Municipal Affairs Departments are covering the costs of the services.[43]

On the expenditure side the two main budget lines are 'State government' where, under the office of the Chief Minister, and next to the Constituency Development Fund and the Poverty Reduction Fund an important amount is budgeted for construction and public works and expenditures for the same under the Ministry of Communication. Construction and Public works (mainly roads) thus accounts for 63 percent of total expenditure.[44]

The budget does not include budget lines for education and health, which fall under the mandate of the Union Government. Expenditures for water (the 3rd focal sector in the State of Local Governance reports), are either 'hidden' under the expenditures of the Municipal Affairs Departments, which are also responsible for water, but only in the urban areas (the wards); or under the Union budget, as the Department of Rural Development is responsible for water supply in the rural areas (the village tracts).

Although difficult to compare, it should be noted that the overall size of the budget of Kyat 264.6 billion (USD 252.5 million) equivalent to Kyat 45,500 per capita (USD 43.4) is substantial.[45]

2.3.6 The Judiciary

Although the judiciary is not an explicit part of the mapping, it should be mentioned that the judiciary in Shan State is organized as in the other states and regions; there is a Shan State High-Court; that each district and each township has a court. Around half of the judges are women. The courts in Shan mainly deal with drug-related criminal cases.

42 The Budget in Table 7 is as presented by Cabinet to the State Hluttaw. However, two presentational changes were made. Firstly, in the original budget, the departments are still presented by Union Ministry (not by State Ministry), which obscures State level local accountability. In Table 7 the departments have therefore been presented as in Fig 2.5 under the Minister they have been allocated to. Secondly, in the original budget, and which was a flaw that will be resolved with the budget 2015/16 onwards, there was some double counting, as the expenditure for the Department of Roads and Bridges was also reflected as income (and subsequent expenditure) for the Department of Public Works, while the classification between capital and recurrent was not always consistent. In Table 7 this double counting is removed (in consultation with the State Finance Department).

43 In fact, in reality it is often the other way around as the departments are requested to make a budget on the basis of their income. However, some municipalities that have a better tax-potential (such as Nyaungshwe) share 10% of their income to be reallocated to municipalities with a lower tax potential.

44. And which is, as one Cabinet Minister stated, a deliberate choice of the State Government.

45. The budget for Yangon region is estimated at Kyat 344 billion, which gives more or less an equal amount per capita (Kyat 46,800), but public expenditure is known to be much higher in cities as compared to rural areas. In fact, some 70% of Yangon Region's budget is expenditure for the Yangon City Development Corporation (YCDC), leaving 'only' Kyat 102 billion for other expenditure. Also from that angle, the budget for Shan State is substantial.

Table 7: Income - Expenditure Budget, Shan State Government, FY 2014/15[46]

	Organization/Department	Income		Expenditure			
		amount	% of total	Recurrent	Capital	Total	% of total
	State Organizations	**9,018.6**	**3.4%**	**15,942.0**	**53,079.1**	**69,021.1**	**26.1%**
	State Government	8,900.4	3.4%	13,482.9	52,564.3	66,047.2	25.0%
	Tax and recurrent income / recurrent expenditure	*8,182.6*	*3.1%*	*7,982.9*		*7,982.9*	*3.0%*
	Constituency Development Fund			*5,500.0*		*5,500.0*	*2.1%*
	Poverty Reduction Fund				*4,000.0*	*4,000.0*	*1.5%*
	Construction and Public Works				*39,438.4*	*39,438.4*	*14.9%*
	Other income and expenditure	*717.8*	*0.3%*		*9,125.9*	*9,125.9*	*3.4%*
	State Hluttaw	0.7	0.0%	540.0	83.8	623.8	0.2%
	Justice Offices	115.9	0.0%	37.7		37.7	0.0%
	Law Offices	0.7	0.0%	558.8	324.4	883.2	0.3%
	Audit Offices	1.0	0.0%	1,322.6	106.7	1,429.4	0.5%
	State Ministries, Departments and Business Organizations	**17,205.2**	**6.5%**	**155,171.1**	**40,418.3**	**195,589.4**	**73.9%**
1	**Ministry of Security and Border Affairs**	**544.3**	**0.2%**	**13,401.6**	**16,637.9**	**30,039.5**	**11.4%**
	1. General Administration Department	530.3	0.2%	10,468.2	3,305.9	13,774.2	5.2%
	2. Department of Special Investigation	0.1	0.0%	188.6	26.8	215.4	0.1%
	3. Department of Fire Brigate	13.9	0.0%	2,744.8	13,305.2	16,049.9	6.1%
2	**Ministry of Finance and Revenue**	**2,101.7**	**0.8%**	**259.0**	**175.3**	**434.3**	**0.2%**
	4. Budget Department	2,101.7	0.8%	259.0	175.3	434.3	0.2%
3	**Ministry of Agriculture and LIvestock breeding**	**87.6**	**0.0%**	**4,872.9**	**929.3**	**5,802.2**	**2.2%**
	5. Department of Agriculture	30.0	0.0%	3,483.9	360.0	3,843.9	1.5%
	6. Department of Livestock Breeding and Veterinary	26.1	0.0%	621.0	54.0	675.0	0.3%
	7. Department of Fisheries	14.7	0.0%	119.7	119.5	239.2	0.1%
	8. Department of Water Resource Utilization	3.1	0.0%	194.3	395.8	590.1	0.2%
	9. Department Agricultural Mechanization	13.7	0.0%	454.0		454.0	0.2%
4	**Ministry of Enveronmental Conservation and Forestry**	**174.4**	**0.1%**	**1,830.8**	**28.1**	**1,858.9**	**0.7%**
	10. Department of Forest	171.7	0.1%	1,808.2	28.1	1,836.2	0.7%
	11. Myanma Salt and Marine Chemical Enterprise	2.8	0.0%	22.6		22.6	0.0%
5	**Ministry of National Planning and Economic Development**	**12.3**	**0.0%**	**1,850.4**	**1,572.6**	**3,423.0**	**1.3%**
	12. Department of Planning	4.2	0.0%	968.0	1,477.4	2,445.3	0.9%
	13. Department of Cooperative	6.8	0.0%	829.1	78.5	907.5	0.3%
	14. Department of Cottage Industry	1.3	0.0%	53.4	16.8	70.2	0.0%
6	**Ministry of Communication**	**2,266.5**	**0.9%**	**127,210.3**	**3,853.9**	**131,064.2**	**49.5%**
	15. Department of Human Settlement & Housing Development	38.2	0.0%	251.9	3,597.9	3,849.8	1.5%
	16. Department of Roads and Bridges	2,228.3	0.8%	126,958.4	256.0	127,214.4	48.1%
	17. Public Works						
7	**Ministry of Electric Power and Industry**	**0.0**	**0.0%**	**0.0**	**9,119.9**	**9,119.9**	**3.4%**
	18. Department of Electricity Supply	0.0	0.0%	0.0	9,119.9	9,119.9	3.4%
8	**Ministry of Social Affairs (incl Health and Education)**	**68.8**	**0.0%**	**424.6**	**1,475.3**	**1,899.9**	**0.7%**
	19. Department sports and Physical Education	68.8	0.0%	410.8	1,475.3	1,886.1	0.7%
	20. Office of the Central Inland Freight Handling Committee	0.0	0.0%	13.8		13.8	0.0%
9	**Development Affairs (Municipal Affairs)**	**11,905.3**	**4.5%**	**5,278.7**	**6,626.2**	**11,904.9**	**4.5%**
	21. Municpal Affairs organisations						
	Under the Chief Minister	**44.2**	**0.0%**	**42.7**		**42.7**	**0.0%**
	22. Myanma Motion Picture Enterprise	44.2	0.0%	42.7		42.7	0.0%
	Sub-Total	**26,223.8**	**9.9%**	**171,113.1**	**93,497.4**	**264,610.5**	**100.0%**
	Receive from Union	**238,338.2**	**90.1%**			**0.0**	
	Loan from Union budget	**48.6**	**0.0%**				
	Grand total	**264,610.6**	**100.0%**			**264,610.5**	**100.0%**

46. The income and expenditure for the Department of Roads & Bridges and the Department of Public Works have been combined to eliminate the impact of 'double counting'. The budget for recurrent costs may include some provisions for new infrastructure (capital), but available data do not allow determining the magnitude (See also footnote 44). The State income for CDF and PRF -Kyat 9,5000 in total- is included in the grant from the Union Government.

2.4 Voting in Shan State for the national parliaments

People of Shan are not only represented in the State Hluttaw, but also at Union level.

For the seats in the Pyithu Hluttaw, each township served as a constituency. In five of the 55 townships voting was cancelled. Hence, altogether 50 members were elected from Shan State to the larger one of the two Houses of the Union legislature. 23 of these 50 seats were won by the USDP, while the SNDP won 17. Six other parties also won seats in the Pyithu Hluttaw in Shan State constituencies. The PaO National Organization has three seats. The NUP (14 percent of the votes) and the Wa Democratic Party (2 percent of the votes) each have two seats, and an independent candidate as well as candidates of the Inn National Development Party and the Taaung (Palaung) National Party won one seat each.

Table 8: 2010 Pyithu Hluttaw election results for Shan State

Party	Constituencies contested	Votes		Seats	
		#	%	#	%
Union Solidarity and Development Party	42	666,380	44%	23	46%
Shan Nationals Democratic Party	34	409,094	27%	17	34%
National Unity Party	29	215,217	14%	2	4%
Independents	2	57,260	4%	1	2%
Inn National Development Party	1	52,195	3%	1	2%
Taaung (Palaung) National Party[47]	4	36,652	2%	1	2%
Wa Democratic Party	4	27,546	2%	2	4%
Kokang Democracy and Unity Party	3	25,731	2%	-	-
Kayan National Party	1	12,743	1%	-	-
Lahu National Development Party	3	9,565	<1%	-	-
National Democratic Force	4	6,350	<1%	-	-
Wa National Unity Party	3	4,940	<1%	-	-
PaO National Organization[48]	3	-	-	3	6%
TOTAL	-	**1,523,673**	**100%**	**50**	**100%**

Due to a vacancy in the Pyithu Hluttaw, a by-election was held for the seat on 1 April 2012. It was won by the NLD candidate Daw Than Ngwe, thus also increasing the number of women in the Union legislature. The NLD had not participated in the 2010 election (whilst the 5 seats for which voting was cancelled in 2010 remained vacant)

For the Amyotha Hluttaw, each Region and State is assigned 12 seats. These are elected on the basis of groups of townships. As there are 54 townships in Shan State, constituencies were formed by groups of townships, whereby the five SAAs form constituencies for the Amyotha Hluttaw. The USDP won 7 of the 12 available seats in Shan State, including one, in Kokang SAZ (Konkyan and Laukkai), unopposed. The USDP also won the Danu SAZ seat. The Shan SNDP won two seats with about 30 percent of the votes. The NUP received about 17 percent of the votes, but did not win a seat. The Wa Democratic Party won a seat in the Wa SAD[49] and the Pa-O National Organization, which ran in Pa-O SAZ and Palaung SAZ unopposed, won two seats. Sai Mauk Kham (aka Maung Ohn), one of the two vice presidents of Myanmar (2011-2015), was elected from Shan State No.3 Constituency as an Amyotha Hluttaw candidate in the November 2010 election.

47. The Taaung (Palaung) National Party won one seat in a constituency where its candidate ran unopposed.
48. PaO National Organization won its three seats in unopposed constituencies.
49. Only the Wa Democratic Party and the Wa National Unity Party competed in Wa SAD.

Table 9: 2010 Amyotha Hluttaw election results for Shan State

Party	Constituencies contested	Votes		Seats	
		#	%	#	%
Union Solidarity and Development Party	9	476,687	36%	7	58%
Shan Nationals Democratic Party	6	391,979	30%	2	17%
National Unity Party	8	220,701	17%	-	-
Inn National Development Party	1	75,234	6%	-	-
Taaung (Palaung) National Party	1	37,501	3%	-	-
Independent	1	30,221	2%	-	-
Kokang Democracy and Unity Party	1	26,950	2%	-	-
Wa Democratic Party	1	23,542	2%	1	8%
Kayan National Party	1	17,801	1%	-	-
National Democratic Force	1	5,842	< 1%	-	-
Wa National Unity Party	1	1,703	< 1%	-	-
PaO National Organization	2	unopposed	-	2	17%
TOTAL	**-**	**1,308,161**	**100%**	**12**	**100%**

As Shan State has one of the highest number of townships compared with other States and Regions, it is as a whole rather overrepresented in the Pyithu Hluttaw, where the average number of people represented by a Pyithu Hluttaw member from Shan is about half of the number for Bago Region, and a third of that in Ayeyarwady. The disparity between individual township populations is, however, much larger as is also the case in other States and Regions, meaning that the un-even representation (in terms of voters per MP) largely originates from the huge variation in township population sizes. In the Amyotha Hluttaw, where each State and Region regardless of size has the same number of seats, Shan's population is naturally rather underrepresented compared with the smaller constituent units, which is however normal in a bicameral structure of representation in a federal system.

2.5 Main governance issues Shan State

Compared to several other States, armed conflict sometimes seems to be something that was settled some times ago, but recent flaring up of actual fighting, as occurred as late as around Union day in February 2015 in Laukkaing (Kokang SAZ), provide a reminder of the actual features of Shan State that have strongly influenced the governance structures as we find them to-date. The existence of the Self-Administered Areas, the representation of ethnic groups in the State Hluttaw, and the seats for the SAA chairpersons in the cabinet are all a reflection of negotiated settlement that cannot always be understood on the basis of the principles of democratic and equal representation, and must be placed in the context of an evolving process of State and nation building.

Having said that, and apart from securing peace and stability, the challenge ahead, also for the Parliament, is to get from a situation where representation means 'assuring that each party gets its fair share of the cake' to a situation where different interests are moulded towards a development vision that has broad support from a majority of all people in Shan, whilst the emerging State budget and the discussions in the huttlaw around it are a reflection of the recognition of an emerging Shan State Government.

The second challenge is to translate this process to (or rather operationalize it at) the sub-state level, the SAAs and Townships. Discussions that are taking place in the State Hluttaw need to have a link with the reality on the ground, whilst -as in principle agreed for the SAAs- certain development decisions can be taken and executed at the lower level. This subject will be further discussed in the next chapter.

3. Organisation of service delivery in SAAs and at the Township level

3.1 Introduction

As part of the local governance mapping eight townships were selected in Shan State for more detailed data collection. The content of this and the next chapter are based on these data. A summary of the profile for these eight townships is presented in Text box 1, while the map there shows their location as well as the wards and village tracts that were used for field research. The chapter starts with a description of the governance structures at sub-State level, firstly for the SAAs and then the townships, prior to describing the institutions that have been created over the past years to enhance representation and participation.

Box 1: Main characteristics of the sample townships for more in-depth research

For the Local governance mapping in Shan State, eight of the 55 townships were selected, on the basis of their representativeness for the State as a whole, for more detailed research. Three townships in the north were thus selected: Namtu, Lashio and Hopang, providing a west to east 'transect' and a variety of characteristics, with Namtu being a typical rural township, Lashio the administrative and economic centre of northern Shan, while Hopang is district headquarter and one of six townships of the Wa SAD, bordering China.

In the South of Shan, equally three townships were selected: Nyaungshwe, Hsihseng and Nansang. They equally provide a west-east cross cutting picture with Nyaungshwe being the State's main tourist centre on the borders of Inle Lake, Hsihseng being one of the three townships of Pa'O SAZ and Nansang being an average remote rural township, even though located on the Union High Way Road, part of the Asia High Way and the thoroughfare to Thailand.

In eastern Shan, and thereby expanding the west-to-east transect, the townships of Mongping and Kengtung were selected, both also situated along the Asia High Way. Both townships are more remote from a Myanmar perspective, but benefit in economic sense from trade routes to the neighbouring countries.

Amongst the eight selected townships, Hopang and Lashio are the largest in terms of population, and also have -related to this- the highest number of administrative units at sub township level (i.e. wards and village tracts). In Nansang, Hsihseng and Hopang the relative number of wards is highest (slightly under one third), but this does not warrant the conclusion that these townships are more 'urbanised' or less rural. Population density, often a good indicator for levels of urbanisation, is highest by far in Nyaungshwe, followed by Lashio and then Hsihseng and Hopang. Population density in Nansang is relatively low. Overall, and supported by the indicators of area size and density, Mongping and Namtu re the more rural townships in the sample, while Nyaungshwe as well as but to a lesser extend, Lashio and Hopang are the most 'exposed' and 'urbanised', in an otherwise dominantly rural State.

Box to continue on page 36 with map of the selected township wards and tracts.

3.2 Governance structures in the Self-Administered Areas

The four Self-Administered Zones (SAZs) and the Self-Administered Division (SAD) were formed in August 2010 as per Section 56 (a) of the Constitution that also describes in detail their institutional set-up.[50]

Following the November 2010 general elections, so-called Leading Bodies (Oo-Si-Ah-Phwet) of the SAAs were also set up. This Leading Body is composed of (i) all State Hluttaw representatives elected from townships in the SAA; (ii) military representatives nominated by the Commander-in-Chief of the Defence Services (1/3 of the elected members), who will be assigned duties relating to security or border affairs; (iii) additional representatives selected by persons stated in (i) and (ii).[51]

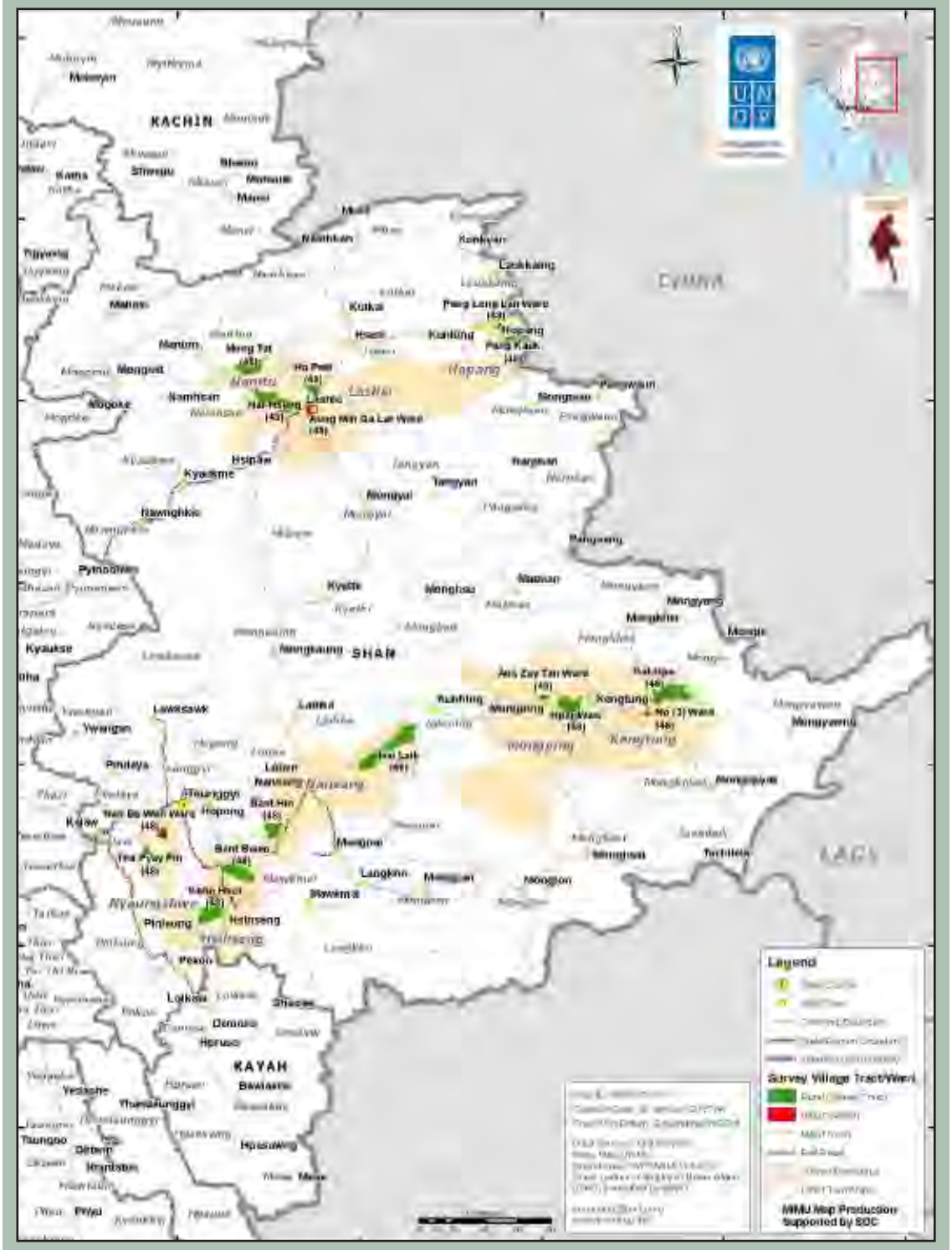
Members of the Leading Body are expected to "co-ordinate among themselves" and "select a suitable person as the Chairperson (Oak-Ka-Hta)" of the SAA from among the elected State Hluttaw representatives. If a consensus cannot be reached, there are provisions for an election of a Chairperson by secret vote by the members.[52] The Chief Minister of the State then submits the name of that person to the President, who appoints the person as the Chairperson of the SAA.[53] If a Chairperson of the Leading Body "cannot carry out his duties efficiently, the President of the Union may direct him to resign from office."[54]

The Chairperson of the Leading Body of the SAA is responsible to the State Chief Minister,[55] and to the President through the Chief Minister. Members of the Leading Body of the SAA are responsible to their Chairperson. The Chairperson of the SAA has the right to submit matters to obtain the interpretation, resolution and opinion of the Constitutional Tribunal of the Union in accord with the prescribed procedures.

The Leading Body is vested with legislative powers relating to the matters listed in the Schedule Three of the Constitution,[56] which includes: (i) Urban and Rural Projects, (ii) Construction and Maintenance of Roads and Bridges, (iii) Public Health, (vi) Municipal / Development Affairs, (v) Prevention of Fire Hazard, (vi) Maintenance of Pasture (vii) Conservation and Preservation of Forest, (viii) Preservation of Natural Environment in Accord with Law Promulgated by the Union, (ix) Water and Electricity Matters in Towns and Villages, and (x). Market Matters of Towns and Villages, hence very much the services otherwise taken care of by the municipal (or development) affairs department.[57]

50. The SAAs go back to the 'Detailed Basic Principles for Prescribing Self-Administered Divisions or Self-Administered Zones' as laid down by the National Convention Plenary Session held on 7 April 1995.
51. Elected members of the Leading Body shall have the prescribed qualifications of Hluttaw representatives of the Region or State under Section 169. Members of SAZ Leading Bodies also have to reside in the Self-Administered Zone.
52. See SPDC Law No. 17/2010, Sections 19 to 29.
53. The term of office of the Chairperson is the same as the term of office of the President of the Union. The term of office of the members of the Leading Body is the same as the term of the relevant Region or State Hluttaw.
54. SPDC Law No. 17/2010, Section 57(a). Additionally, Chairpersons and members of Leading Bodies can also be impeached.
55. This means that the chairperson, as a legislator in the State Hluttaw is to oversee the actions of the Chief Minister and his cabinet, yet as chairperson and cabinet member is accountable to the chief minister. This 'anomaly' is caused by the fact that Cabinet ministers retain their seats in the parliament. Otherwise, as a member of the cabinet, it is natural that the chairperson reports to the chief minister.
56. Section 196 of the Constitution.
57. And which makes the mention (under vi) of municipal services as a separate item a little superfluous as the other nine or normally considered as urban functions (See also the State of Local Governance Report for Yangon region that pay ample attention to the services provided by YCDC). Against the background of the services as listed in Schedule 3, the fact that three townships in Wa do not have any urban wards becomes less relevant; In fact, in terms of service delivery, all village tracts in the SAAs can be considered as 'wards' with municipal services catered for by the SAA leading body.

Box 1 continued



Township	# urban wards	# village tracts	# of admin units below TS	Population Census 2014	Total Area in km²	Density in pers/ km²
Namtu	2	21	23	50,279	1,625	30.9
Lashio	12	75	87	321,861	3,862	83.3
Hopang	23	54	77	321,861	1,332	70.8
Nyaungshwe	8	35	43	326,845	1,482	127.3
Hsihseng	6	13	19	152,755	2,077	73.5
Nansang	11	20	31	116,634	3,693	31.6
Mongping	7	29	36	68,508	6,084	11.3
Kengtung	5	31	36	171,272	3,544	48.3

Laws adopted by the Leading Body of the SAA must only be within the areas listed in Schedule-3 and must otherwise comply with the Constitution, Union Law or Region Law.[58] As the areas of Schedule-3 are also included in the Union or State and Region list, or both, in reality the legislative function of Leading Bodies is marginal at best. It is more useful to think of them as special administrative areas, which are integrated into the State structures, but additionally have special arrangement for special development programmes for the townships concerned.

While the boundaries of States/Regions and Self-Administered Areas are specially protected by the Constitution and can only be changed by collaborative legislation (regulated in Articles 52 and 53), the boundaries of villages, village-tracts, wards, towns, townships or districts are treated as purely administrative units which can be changed by the executive alone.

The Chairperson of the Leading Body selects and forms an Executive Committee of the Leading Body[59] to carry out administrative functions of the Leading Body on a full time basis. The executive powers of the Leading Body of the SAA extend to the matters listed under Schedule Three. They can also be extended to matters delegated to it by any additional law of the Union or State Hluttaw. The Leading Body of the SAA is responsible to assist the Union Government in preserving the stability of the Union, community peace and tranquillity and prevalence of law and order. At the same time, the Union Government has a constitutional duty to co-operate and co-ordinate with the SAA Leading Body to help it to be effective and successful.[60] The Head of General Administration Department (GAD) of the SAA serves as the Secretary and of the Leading Body of the SAA, and the GAD serves as the Office of the SAA.

The Leading Body of the SAA otherwise has the following general tasks and duties:

(a) Draw up work programmes for the development of the SAA territory and co-ordinate with the State Government, subject to the policies of the Union Government;
(b) Draw up annual budgets and co-ordinate with the State Government for approval, in accord with the provisions of the Constitution;
(c) Have the right to expend the allotted fund included in the Budget Law of the State, in accord with the rules.

For this purpose, the Leading Body of the SAA may, in accord with the law, supervise, co-operate and co-ordinate the functions of the civil service organizations which are performing duties within its territory. It also submits reports on the general situation of its territory to the Union and the State Government. It may also perform other functions occasionally assigned by the Union or the State Government. A special law includes provisions on the formation of the Leading Body, as well as how it carries out its duties.[61]

58. Section 198 (c) if any provision of the law enacted by the Leading Body of […] the Self-Administered Zone is inconsistent with any provision of the law enacted by the Pyidaungsu Hluttaw, the law enacted by the Pyidaungsu Hluttaw shall prevail; (d) if any provision of the law enacted by the Leading Body of […] the Self-Administered Zone is inconsistent with any provision of the law enacted by the State/Region Hluttaw […] concerned, the law enacted by the State/Region Hluttaw […] concerned shall prevail.
59. This must be with a minimum of three persons to a maximum of five persons and with the agreement of the Chief Minister of the Region or State and with the approval of the Region or State Hluttaw.
60. Section 225.
61. The Self-Administered Division or Self-Administered Zone Leading Body Law (SPDC Law No. 17/2010) of 21 October 2010.

The Leading Body and the arrangements (such as GAD as secretary) around it apart, the other government departments are represented in the SAAs as in any other area, and the actual arrangements for service delivery are similar. The main difference is the existence of the Leading Body as a peoples' representative and guiding organ at the level of the 2-6 townships that constitute the SAA. At township level, the institutional arrangements are the same as for the other townships.

3.3 Governance structures at the Township level

In the Shan State townships, as for all townships across the country, between 30 to 40 different government departments are recognised, usually housed in different buildings across the township, each having its own links upwards to the department of their 'parent' ministry at district or regional level (see Table 10 for a list of departments found in the various sample townships).[62]

Table 10: List of government offices found in the various sample townships

Source: Township background studies, listed as reported by the respective GAD offices in the sample townships.

1. GAD 2. Police 3. Fire Department 4. Immigration 5. Internal Revenue (tax) department 6. Customs 7. Planning department 8. Agriculture 9. Uphill Farmland department 10. Livestock, Breeding & Veterinary 11. Irrigation 12. Farm Machinery department 13. Industrial Crops	14. Forest Department 15. Cooperative Department 16. Rural development 17. Municipal Affairs 18. Social welfare 19. Education Office 20. Health 21. Traditional Medicine 22. Sports 23. Road transportation 24. Public Works 25. Electricity 26. Housing	27. Religious Affairs 28. Settlement and Land Records 29. Audit Department 30. Law Department 31. Township Court 32. Information and Public Relations 33. Communication **As State enterprise:** 34. Myanma Motion Pictures' 35. Myanma Post / Telegraph 36. Myanmar Economic Bank 37. Myanma Railways 38. Agric Products Trading enterprise

Over the past years, a recurrent theme in all discussions at township level about planning and participation, is a number of new committees that have been initiated by the union government. As such no distinction is made between the departments that would relate to Schedule one (union functions) and those that relate to Schedule two (state and region functions) of the Constitution. At township level, every government office is the same, and state enterprises are mentioned in the same breath as government offices.

As elsewhere in the country, the typical task of the Township Administrator (TA), as the head of the township's General Administration Department, is the coordination of this heterogeneous group of government related offices and departments (next to the tasks of ensuring civil registration -through the ward and village tract offices- and solving local disputes). But in actual fact there is very little horizontal contact between the different and various heterogeneous group of departments. As such, a single township administration - as the departments are often casually called- does not exist. It is rather a fairly large group of very different and often loosely connected departments based in and covering the same territorial unit.

62. The list of departments by township was shortest for Hsihseng, with 22 core departments 'only'.

Over the past years, in this is a recurrent theme in all discussions at township level about planning and participation, a number of new committees have been initiated by the union government (by Presidential Notification dated February 2013) to operationalize the concept of people centred service delivery. These committees are:

- The Township Management Committee (TMC), bringing together heads of departments of a number of township departments, including the TA and his deputy, the police and immigration officer, the planning officer and the heads of three service delivery oriented departments, being agriculture, education and municipal affairs;

- Township Municipal Affairs Committee (TMAC) – chaired by a peoples' representative, elected by the people living in the municipality (township headquarters), and with members drawn from both government and peoples' representatives, and which serves more or less as a management committee for the Municipal Affairs Department, that generates income from urban taxes, fees and levies to finance municipal functions;

- Township, and ward/village tract level Development Support Committees (TDSCs and W/VTDSC), which serve as a consultative forum bringing together various interest groups to support the township administration on development issues.

Box 2: Myanmar country of committees? - Example of Nansang township

As was seen in other Regions and States, also in Shan a plethora of committees is found at the township level, which includes at least the following:

The three relatively new committees created in 2013 being

- The **Township Management Committee** (TMC), with 7 members (2 from GAD) and 6 departments, being GAD, police, immigration, planning, agriculture and education under the chairmanship of the township administrator

- The **Township Municipal Affairs Committee** (TMAC) as management advisory committee for the activities of the Municipal Affairs Department, whose intervention area is, in principle, confined to the (urban) wards in each township (and the marketplaces in the village tracts). The committee is composed of civil servants (the executive officer as head of the department, the deputy TA and the DRD officer) as well as peoples' representatives, one of the latter serving as the chair person.

- The **Township Development Support Committee** (TDSC), composed of representatives from different sectors, trade groups and civil society, established at each level (village, ward/tract and township), with the objective to serve as a consultative meeting or sounding board

Other committees are:

- The **Township Development Implementing** (or CDF) Committee, composed of the members of union and state parliament (one of them being the chair), the executive officer (head of the municipal affairs department), the township engineer (Public Works department) and the head of the Rural Development Department, the chairs of TDSC and TMAC as members and the TA as secretary, established to manage the CDF. The TA, EO and head of the DRD are the drawing officers, whereby two signatures are required for every payment. The office of the TA keeps the administration.

- The **Township Education committee**, an older committee that was not abolished when the TMC was established, to discuss issues related to education. The Committee meets sometimes after and as a subset of other committee meetings

- The **Township Health Committee**, similar to the education committee, but more relevant in the sense that the health department is not included in the TMC; but both committees appear more or less defunct

- The **Township Farmland Management committee**, composed of government staff of different department and dealing with registration and conflicts around registration of land (urban and farmland) as far as dealt with by the Lands officer.

- The **Township all Lands Use Management committee**, dealing with issues for all lands, including those lands that fall under the forestry department; It composition is as for the farmland committee, with exception of the chair of the TDSC and (for some townships) the Forest Officer that are part of this committee;

- The **Township Planning and Implementation Committee** (TPIC), under the Department of Planning, which in principle should have a coordinating role for planning, but in actual practice the planning department only compiles plans of various department under one cover

- The **Township Quality Assurance committee**, with the TA, EO, DRD and Township engineers from Electricity Department and Public Work Department as members to oversee the quality of the works funded by the Rural Development Department and other sources.

In addition there are a number of regular and/or institutionalised meetings that may not have the formal name of 'committee' yet operate as such:

- Weekly 'security meetings' of the TA with the police, immigration and army

- Regular meeting of with Villages tract and ward administrators

- The bi-monthly coordination meeting with TMC, TDSC. TMAC, Ward and Village Tract administrators, TDSC representatives form lower levels and civil society

- Monthly meeting with all (30+) Heads of Departments

- Monthly coordination meeting, called for by the TA and to which the MPs attend as well as TMC members (but without the Heads of Departments that are not in the TMC)

In addition to this there are also regular meetings with the village tract and ward administrators, that are nowadays -indirectly- elected (instead of appointed), following the Ward and Village Tract Administration Law (2012).

The way the coordination is operationalized, notably by the GAD-office who is either the chair or the convenor for the above mentioned committees and meetings, varies from one township to another as is shown in Table 11 for the 4 of the sample-townships. It may be clear from this Table that there is a huge number of meetings being organised 'to coordinate' - whereby in practice most of the meetings are mainly used to pass information 'downwards' and little actual decision-making takes place in these meetings, neither are they systematically used as an information flow upwards.

Meeting Day/date	Name of Meeting	Participants
Lashio		
Once a week	TMC	All 7 TMC members
Once a week (after TMC)	Regular Coordination meeting	All HoDs (including TMC), WAs and few VTAs
Monthly	TS Committees Coordination Meeting	Members of TMC, TDSC and TMAC
Ad hoc	eg. PRF planning	All HoDs, all 3 committees, WA/VTAs
Nyaungshwe		
Every 1st day of the month	Coordination Meeting	All department heads, WA/VTAs
11th day of the month	TMC, TDSC and TMAC meeting	All committee members and MP
16th day of the month	Coordination Meeting	All department heads, WAs and VTAs
Hsihseng		
	TMC	
Twice monthly	TS Committees Coordination Meeting	Members of TMC, TDSC and TMAC
Twice monthly	Regular Coordination Meeting	All HoDs, WAs and VTAs + ward and village clerks
Nansang		
Every Tuesday	Security Meeting	GAD, Police, Immigration, Army
Every Wednesday	Weekly Meeting with all departments[63]	31 departments heads 5 WAs and 3 nearby VTAs
Every other Friday	TMC meeting	6 TMC members
15th & 30th day of the month	Meeting	WAs, VTAs and GAD clerks , VTDSC
Ad-hoc	Township Development Coordination Meeting	3 Township Committees, VT/WA DSC and 3 MPs
Kengtung		
Tuesday	Weekly Coordination Meeting	All department heads, Ws and VTAs
Wednesday or Friday	TMC, TDSC and TMAC meeting	All committees members
Mongping		
Bi-monthly (prior to TMC)	Coordination Meeting	All department heads
Bi-monthly	TMC meeting	All TMC members
Monthly	VTAs meeting	All W/VTAs and clerks (with concerned department heads)

Table 11: Frequency and participants to township level coordination meetings

In addition to the new committees, in all the townships, there is also a 'heads of all departments meeting', in which, in some townships, also the W/VTAs participate, thereby allowing the latter to bring their local level issues to the attention of the relevant departments. It is an opportunity to use the channel of the W/VTAS to inform all departments at the same time about the local issues - and which is a potential wine-win situation for both the departments because they are offered 'participatory local info' free of any additional effort; and for the W/VTAs (as peoples' representatives) who are given a wider audience to voice their concerns and demands. This provided that the W/VTAS are indeed encouraged and given the space to speak up, which in turns requires that both the TA and the Heads of Departmentss do see communication as a two-way process (and not only as instructions being passed on downwards).

63. The TA estimated that in these meetings security issues takes 10% of the time, development 70% and information sharing 20%.

Another issue illustrated in Table 11 is the 'haziness' around the role of the TMC, which has both security staff amongst its members (police and immigration) as well as heads of development departments (such as agriculture, education, municipal affairs) whilst others (such as health and rural development amongst others) are missing. On the other hand, the meeting of all 30+ heads of departments seems too big for the purpose of development coordination as for quite a number of those 30+ Heads of Departments, development topics (as well as issues discussed with W/VTAS) are less relevant.

Table 12: Composition of the TMC in some of the selected townships

*) In all mentioned townships the immigration officer was TMC member instead of the law officer

As per instructions		Lashio	Nyaungshwe and Monping	Hsihseng	Nansang and Kentung
1. Chair	TA	✓	✓	✓	✓
2. Member	Deputy TA	✓ secretary	-	-	✓
3. Member	Police officer	✓	✓	✓	✓
4. Member	Law officer	✓ *)	✓ *)	✓ secretary *)	✓ *)
5. Member	Planning officer	✓	✓	✓	✓
6. Member	Education officer	✓	✓	✓	✓
7. Member	Agricultural officer	✓	✓	✓	✓
8. Member	Municipal affairs officer	-	-	-	-
9. Secretary	Revenue officer	-	-	-	-

In the selected townships, the composition of the TMCs is in line with the official instructions, albeit that neither the Executive Officer of the Municipal Affairs Department nor the revenue officer were amongst the members. As much as the TMC is sometimes seen as the 'Heads of Departments' meeting (e.g. when it comes to 'endorsing' township plans (see below), the committee is far from all inclusive as some major development and service delivery oriented departments are missing.

In two of the four townships shown in the Table 11, the three newly created committees regularly meet together, which seems to suggest that their specific roles are not that well-articulated, a topic that shall be discussed in the next paragraph. Overall, there seems scope to streamline the functions and objectives of the various committees to also ensure an efficient use of the time of its members.

3.4 The TDSC and the TMAC

3.4.1 Roles of the TDSC and TMAC

Quite remarkably, given the short period of its existence, TDSC members seem to understand their role quite well, formulated in Lashio as:

Supporting line departments in the implementation of development activities across the township; as part of their role, TDSC members collect needs and priorities of the communities and disseminate them to line department so they could be incorporated in the development of the department's development plans; the TDSC members also monitor some development projects implemented by contractors on behalf of line departments.

As such, the roles of the TDSC members and the W/VTAs are very similar, if not overlapping.

The members of the various Township Municipal Affairs Committees (TMAC), see their role as:

To assist the Department of Municipal Affairs (DMA) in planning its activities and monitoring the activities of the DMA on behalf of the people. Unlike the TDSC, the TMAC committee members have decision-making authority on the budget of the DMA, set at 90% of what they collect. Also unlike the TDSC, the TMAC committee members receive an allowance from the Department of Municipal Affairs.

TMAC in various townships indicated that they were not aware of the budget of the DMA, as they were not yet established when the 2014/2015 budget was made, but that they would get involved for the 2015/16 budget. Meanwhile, in some townships the changes started to take root as the TMAC members (notably the chair) were getting their own office, while the heads of department indicated that decision-making nowadays was more cumbersome as the committee had to be involved, and which - from a participation and accountability perspective- should be seen as a good development (provided decision-making remains reasonable).

3.4.2 TDSC and TMAC Citizen Representation

Over the past years, a number of institutional changes at the township level are taking place in parallel, on way or another all aimed to increase people's participation. As such, a major change was the Village Act (2012) that ensured W/VTAs to be (indirectly) elected, and act as peoples' representatives in meetings with the government departments at township level. At the same time, many Township Administrators still have a tendency to see these W/VTAS, even though elected, as 'their staff'.[64] Yet, it is understandable (and very logic) to use the W/VTA as a channel to pass information downwards, but at the same time they should be given the space to ensure a communication line upwards. Officially they have that role, but in practice (and understandable given the long tradition of a top-down command structure) the downward communication line seems often to prevail.

The above mentioned newly established committees, notably the TDSC have the same objective to enhance peoples' participation in decision-making, using the same model of representation, albeit it is by interest group. The way the first rounds of elections of the TDSC members went (See Table 13) and imperfections are understandable given the novelty of the undertaking, it seems that W/VTAS may be in a same -if not better position- for lower level representation, also because the concept of interest groups cannot be enforced but needs to grow (and be nurtured) bottom-up.

64. A view that is not tenable given that an election cannot replace a recruitment process for public sector servants. Elected people have, by definition a very different status than public servants that are appointed and selected on merit, related to the nature of the position.

Table 13: Selection of TDSC members as peoples' representatives in selected townships

Township	TDSC and TMAC (s)election processes
Lashio	The non–government members of the TDSC and TMAC committees were elected at meeting called by Township Administrator. W/VTAs nominated individuals that attended the meeting. At the meeting, the 120 attendees were requested to nominate candidates for the various groups to be represented (i.e. for TDSC, elders, workers, farmers, social welfare organisations). After the proposal of names, a voting exercise by show of hands was conducted to elect the members. Amongst the 120 participants only three were female, none of who was proposed to contest either election and both TDSC and TMAC are thus comprised of men only.
Nyaungshwe	Election process was carried out hurriedly because of the time constraints; All 8 WAs and 35 VTAs were asked to provide the names of 5 potential candidates for both TMAC and TDSC. Then, the participants to the meeting elected the members by voting by hands. The TMAC chair mentioned that he knew he was on the list of the committee when the TA informed him and requested him to accept the position.
Hsihseng	The non-government members of the committees were elected at a meeting that comprised representatives of various interest groups drawn from all the 6 wards and 13 village tracts of the township. Each ward and village tract was invited to nominate 6 individuals, i.e. for the TDSC (i) a famer's representative, (ii) a CSO representative, (iii) a non-government workers' representative, (iv) a businesspersons' rep and (v) two village elders. In total, 95 candidates attended the meeting. Then individuals were nominated by fellow attendees to contest for election that was conducted through secret ballot, whereby candidates for each group with the highest number of votes was considered elected.
Nansang	In Nansang the process of selecting the TDSC was a bit particular as only 8 of the 11 wards and none of the 20 village tracts were invited to propose candidates. Upon consultation the TA selected the committee members out of the 32 candidates proposed.
Mongping	A similar process as in Nasang took also place in Mongping. Fifty 10-household-heads from 3 of the 7 wards were invited to provide the names of potential candidates for TMAC and TDSC. Then, in consultation with the MP and some Heads of Departments the TA hand-picked picked the candidates and justified this process by noting that "in general, people have little interest to be involved in an election process as a candidate - Hence MP and government officials have to request and convince people to take up a role in the TDSC and/or TMAC"
Kengtung	Each of the 36 W/VTAs were asked to propose 3 candidates that were invited to a meeting which included those 108 candidates as well as MPs, representatives of CSOs, VTAs/WAs and GAD staff. Then 9 people representing different segments of society (see above) were chosen (by the TA) on the basis of their participation in social welfare, donations and spirit for voluntary work. Hence, In Kengtung the TDSC committee member were selected, but the TMAC members were instead indeed elected.

A main issue observed in some sample townships is the weak link between the TDSC and TMAC members. On the one hand, it should be appreciated that the enthusiasm for the first elections was lukewarm and the availability of those that took the positions without knowing what they were putting themselves into should be appreciated. On the other hand, there is also the risk of elite capture, where the more economically powerful and better connected take the positions thereby positioning themselves well for the new constellation. But the latter may well be a slightly unfair comment as it is up to the citizens to voice their concerns and make sure that next time the elections are more transparent and more inclusive.

3.4.3 Citizen Participation

The members of the TMC, TDSC and TMAC interact with each other, but there are no official mechanism for the respective committee members to consult citizens on a regular basis. As such, the committees operate on the basis of a model of representative democracy whereby

citizens have the power through the regular vote to approve or disapprove the activities of their representatives. Experiences in many other countries have learned that such models are often insufficient as elections are too far apart and too crude a mechanism to for the representatives to always voice the ideas of their electorate and that other, complementary channels are needed to feed the peoples representatives with necessary information. Periodic meetings (e.g. once or twice a year) of these committees with the W/VTAs (or rather the TMAC with the WA and the TDSC with both WAs and VTAs) may help address this issue. This is already done in Lashio and Nansang Township (see Table 3.2). Also CSOs, which are so far at best only marginally involved in planning and public sector oversight, could be invited to such meetings.

3.5 Planning and Budgeting

For one of the selected Townships, the planning process was described as follows which is typical for the present planning process in most townships, in Shan and in the country:

There is no township budget covering all departments, each department has its own budget informed by its departmental plan developed by the department itself. All departments annually submit their respective departmental plans to the Township Administrator who forwards the plans to the Planning Officer (PO). The PO consolidates all the departmental plans to form an overall consolidated township plan, which is on annual basis submitted to the TMC by the PO for review and approval; after the TMC has reviewed and approved the plan, the TA submits the overall township plan to the district level GAD from where it finds its way upwards. In Pa'O SAZ the TMC endorsed plan is also presented -for information- to the Leading Authority[65] who are said to sometimes make changes to the plans.

In the strict sense of the word this means that there is no real township planning, but only a compilation of the plans that each sector has made, and as such they produce a township level activity plan, which is certainly useful to have, but which should not be seen as township level planning - neither as a plan that can be approved locally, not as a plan that needs higher level approval, because the activities as in the plan are (already) approved by the higher level sector departments.[66] What the so-called planning process does at best is to allow coordination between the different departments and make sure that activities are aligned and overlap is avoided.

However, in practice the process of township level consultations does not seem to be used (yet) in that sense (as backward feedback to the line departments for iteration of the plans is not included in the process).

There are however few exceptions where township level planning in the real sense of the word does take place, which is (i) for the Municipal Affairs Department, which is allowed to make its own township level plan on the basis of 90% of the forecasted revenues (as on

65. The leading body is reported to make sometimes changes to the plan, but it is unclear how this happens in practice as the various line departments are the custodians of the constituting sector plans.
66. In many cases, the departmental township plans are also no township level plans (as the township departments so far rarely have their own budget), but rather a township specific breakdown of a higher (e.g. State) level plan. In fact, what actually happens is that each sector breaks its plans down into township plans, after which the township planning office is to consolidate them again to be send upwards for a higher level consolidate plan (which could have been made at that higher level without going the 'township route'). Obviously, it is useful to have a township activity plan and that is what the PO produces - not more not less, but it should not be considered as township level planning.

average 10% is to be handed over to the State government), and (ii) for the discretional funds made available for planning at the township level such as the Constituency Development Fund (CDF) (at present Kyat 100 million per township irrespective of size).[67]

Planning on both cases takes place by (or under the purview of) special committees, being the TMAC and the CDF committee respectively. Especially the latter has no formal link to any participatory or consultative process, apart from the information sharing that its members benefit from through the various coordination meetings.

For the CDF projects, which should (according to the national guidelines) be below Kyat 5 million each, the committee usually invites wards and village tract development support committees (W/VTDSCs) to present proposals.

Table 14: 'Discretional' development funds by township and amounts per capita 2013/14

	Lashio	Nyaung shwe	Hsihseng	Nansang	Mongping	Kengtung
Constituency Development Fund	100	100	100	100	100	100
Rural Development Fund	-	-	30	.8	-	nil
Poverty Reduction Fund	20	-	40	60	-	nil
Border Affairs Funds	-	-	*) ?	42.3	124.2	59.8
Other	-	-	-	-	**) 50	***) 100
TOTAL in MMK million	**120**	**100**	**> 170**	**203.1**	**274.2**	**259.8**
Population	321,861	188,602	152,755	116,634	68,508	171,272
Amount per capita, in Kyat	**373**	**530**	**> 1,113**	**1,741**	**4,002**	**1,517**

*) The amount is unknown but considering the package of activities undertaken it is estimated to be at least double the amount for CDF. The funds are managed by the Pa'O SAZ.

**) From Chief Minister for TMAC

***) Received during a visit of the Chief Minister

The amounts per capita are, with the exception of Mongping, very small especially for Lashio and Nyaungshwe, both in absolute terms and in relation to the amount per capita on the State budget (of Kyat 45,500 per capita; see Chapter 2).[68] It means that townships presently only plan for a very small part of the budget spent in their State / areas.

3.6 Multiplicity of committtees and plethora of meetings

When discussing observed changes in the way government do business at the local level, people very often refer to the newly established committees (the Township Management Committee, the Township Municipal Affairs Committee and the Township Development Support Committees, the latter found at the various levels).

Some argue that the creation of these committees is just a ploy for government to do 'business as usual', now legitimised by co-opting a handful of ordinary citizens, selected through a stage managed process that looks like an election. However, the mere fact that several heads of Municipal Affairs departments complained that they can no longer take decisions alone and that these are now subject to lengthy discussion in the TMAC committee is probably the best proof of the contrary that things have changed - or rather are changing.

67. The Poverty Reduction Fund (PRF) also allows for some kind of township level planning, but it operationalized differently as township can propose projects that can be awarded (or rejected). In the case of the PRF the townships do not have a pre-set budget envelop (as they do have with the CDF) and also the PRF-funds are managed at the State level while for the CDF the funds are accounted for at the township level. This difference explains why in the State Budget (see Table 2.5 the CDF is classified as 'recurrent expenditure, while the PRF is classified as capital expenditure.

68. In Yangon Region the amounts per capita for 'discretional type of funding at the township level' varied from Kyat 300 (North Okkalapa) to Kyat 2,375 (in Taikkyi) to Kyat 10,650 for Thongwa Township, whilst the Yangon region budget per capita was slightly above the one for Shan with Kyat 46,500 per capita. So whilst overall the amounts are comparable (which is a good sign for equity), the amounts for 'decentralised' funds to the township level seems more restricted in Shan.

The TMAC is probably the most successful of all committees, as on the one hand it attracted the more capable representatives, but also because this department has both (i) a clear mandate (municipal functions in the wards) and (ii) their own budget, based on taxes and fees. In fact, in Shan, all municipal affairs departments, are supposed to be financially independent on the basis of 90% of their revenues (as they are, on average, expected to share 10% of their revenues with the State Government for reallocation to township with a lower tax base). As such, the TMAC starts showing some resemblances to an 'urban local government', with clear functions and a mandate to generate income to cover the related expenditures.

The situation with the other two new committees (TMC and TDSC) is much less clear. For the TDSC, only 7 out of over 30 departments found at the Township level are represented, including police and immigration. Whilst education is a member, health is not, and several other development oriented departments (such as DRD, Municipal affairs, construction) are not member of the TMC. Hence, as it is now, the TMC combines security and development issues, while for the latter it covers only part of the relevant departments. Yet, there are monthly coordination meetings, also chaired by the Township Administrator, with all over 30 departmental heads.

The relevance of both committees is further hampered by the fact that they do not have any specific budget at their disposition - also because the allocation of the CDF, the for the time-being most important discretional fund managed at Township level is managed by a separate Township Development Implementing Committee that draws membership, amongst others, from the three committees. Hence, for the moment, both TMC and the TDSC are limited to 'talking about coordination' - which is not bad, but in the long run likely insufficient to ensure sustainability. A possible improvement, taking advantage of the experiences of the TMAC, could be to ensure that either of the coordination meetings (TDSC or the meeting of Village Tract Representatives) is aligned with an extended and development oriented TMC (whilst security issues may be dealt with separately as a delegated national function), so that the committee can 'guide and oversee' the TMC, whereby it is also essential that there is a budget for activities.

In addition to these needs for restructuring, that are only gradually coming to the fore also because most people are still used to following instructions rather than questioning them, there is also one other issue that will need attention, most likely as part of this structural re-reengineering. That is the relationship between the people's representative (cum committee members) and the larger public. Criticasters, claiming that the present committees only serve to maintain the status quo because the better off and well connected took up committee positions, likely overlook the fact that the enthusiasm for the first round of 'elections' was not overwhelming yet some volunteers stepped forward while enthusiasm is likely to increase if the relevance of the positions is confirmed. Yet, for accountability, it is important that for the next batch, the election process of the people's representatives is more clearly laid out. For people's representatives to be accountable -and be in a position to be held accountable- two critical conditions need to be in place: firstly, the way they are elected and secondly, there should be clarity on the functions the organisation they are leading or overseeing should be clear.

In the meantime, and as will be shown in the next chapter, people in the sampled villages in Shan State indicated that they see important improvements in the way government is operating. In part this appreciation may be due to the fact that the baseline position was

low - or that people are not yet comfortable enough to speak out freely. Yet, it is also clear that over the past years, the amount of public funds that are spend at the township level and below really has increased and as such it is also understandable that people are appreciative of the positive changes they see. Yet, the various SOLG reports indicate and the same was confirmed for Shan that government needs to think - few steps ahead - and for sustainable people centred development at the township level a process must be designed to arrive at a light yet efficient structure that allows -or rather even forces- the stakeholders to be accountable and transparent. Such could be a structure as for the TMAC with peoples representatives involved in the management of each department; it could be a structure with an urban and rural government, or it could be a setup of one township administration, with all decentralized development related departments under it, and one consultative oversight body. These seems to be issues that need to be discussed in the near future. In a way it could well be the structure that are set up for the SAAs.

3.7 SAAs as a local government structure

Townships under the SAAs do not seem to differ substantially from other townships, if at all. Though, for example, Hsihseng Township is under the Pa'O SAZ, the Township Administrator and other township departments do not have a direct links with the Pa'O leading body. There are no coordination mechanisms in place between the township GAD/TA and the Pa'O SAZ authorities based in Ho'pong.

The only situation in which the Pa'O authorities have genuine authority (apart from the political authority they muster) is when they make allocation decisions on funds such as the Border Affairs Funds that are directly remitted to the SAZ and which are managed by the Pa'O National Organisation (PNO), the Pa'O political party (see chapter 2).

The Pa'O SAZ suffers from the same ailment as the townships when it comes to planning: few if any unique service delivery mandates and no specific budget envelops. In the case of the SAAs, contrary to the township, there are mandates (see Annex 3), but these are mostly so-called shared or concurrent mandates at the same time catered for one way or another under schedules one and two (with mandates for the Union and States/Regions respectively, thereby leaving relatively little scope for the SAA leading body to develop its own service delivery agenda (also because it has no budget). Moreover, concurrent mandates always have a risk of confusion and un-clarity (as the responsibilities are shared) while they usually work on favour of the already established entities hence maintaining status quo.

A clear difference with the regular townships though is that for the SAAs there is a legal framework that guarantees some sort of local autonomy, that cannot be easily withdrawn. In terms of service delivery, however, this autonomy is yet to be operationalized.[69]

And as much as the legal provisions, in terms of composition and mandates, may make it look like a kind of a local government, the SAAs are far from a local government in terms of popular oversight, as the institutional arrangements for a meeting of elected representatives is absent. The official oversight on the SAA Leading bodies, takes place through the executive branch of government in the line of President, Chief Minister and Chairman of the SAA. For public service delivery in the townships it makes little difference whether it is located in a SAA or not.

69. The autonomy may be much bigger in areas of law and order and economic autonomy, as both Kokang and Wa basically operate as part of the Chinese economy. In terms of service delivery (and this also seems confirmed by the data in the next chapter), the areas operate as other parts of Myanmar and at face value differences are minor

4. Quality of Service delivery – a citizens' perspective

4.1 Introduction

The previous chapters provided the context for what is considered the most important aspect of the mapping, an overview of people's perception on service delivery, transparency and accountability and the changes they have noticed over the past years. Those findings are presented in this chapter. The chapter is based on two parallel pieces of work, firstly a Citizens Report Card (CRC) survey for which 768 persons were interviewed in 5 wards and 11 village tracts in the 8 sample townships (described in more detail in Box 1 above); and secondly, reports from the community dialogues held in each of the sample village tracts and wards, and meetings with service providers. These reports were largely used to validate, triangulate and further illustrate the outcomes of the CRCs. The profile of the persons interviewed for the CRC are summarised in Box 3 which shows that the selection included a cross cutting sample of the Shan society.

Box 3: Profile of the 768 persons interviewed for the CRC

Out of the 768 respondents interviewed for the CRC-exercise, 240 (31%) were living in the 5 wards and therefor classified as 'urban population', whilst the other 528 interviewees, living in village tracts, were considered (and classified) as rural.

The sample included 390 male and 378 female respondents (hence more or less 50/50), while there was also a rather equal spread across all age groups between 18 and 60 years of age (20-23% for each 10-year cohort), whilst 10% of the respondents, was in their 60s. Eight respondents, seven of them in village tracts, were above 70 years of age.

Overall, some 38 percent of the interviewees -hence quite a large number- had either no education or not completed primary education, the percentage being higher in rural areas (45%) as compared to urban areas (24%).

Over half of the interviewees (53%) were Shan, but the sample also included Bamar, Lahu (both 7% each), Wa (6%), Chinese (5%) as well as fifteen (15!) other ethnic groups. Forty-nine percent of the respondents indicated that Shan was their main language at home, whilst 14 percent indicated that Myanmar was the dominant language in the household. Fifteen other languages were mentioned as the main language spoken in the household, clearly illustrating the ethnic diversity in Shan State.

Almost 2/3 of the urban population (65%) stated they still live where they were born; Surprisingly, mobility is higher for the rural population where only 58 percent of the respondents still live where they were born. Seven percent, for both the urban and rural respondents, of those no longer living in the area they were born, indicated that they moved for reasons of conflict, the single most important reason for the move (93%) being either personal (such as marriage) or economic.

In the rural areas, 83 percent of the respondents indicated that agriculture is their main source of income, against 18% in the urban areas where 'self-employed/own business is reportedly the most important source of income (56% of respondents). Both formal employment (8% of respondents in urban areas and 1% in rural areas) and casual employment (9% in urban areas and 4% in rural areas) are of relatively minor importance, but -as expected-, more important in urban as compared to rural areas. Some 8 percent of the urban respondents lived on either a pension or remittance, a source of income totally not found amongst the rural respondents. The profile of the respondents seems very much in line with the overall description of the State as provided in Box 1, being a predominantly rural area with some more urban settlements that have developed on the basis of the agricultural hinterland but that do not have any substantial secondary (manufacturing) or tertiary (services) sector economic activity.

4.2 Main development challenges and responsible party to solve them

When asked about their food and income situation, the far majority of respondents indicated that over the past years the situation has either improved or at least stayed the same (89 and 82 % respectively); Only a relatively small percentage of the respondents indicated that the situation had deteriorated which was the most pronounced for 19% of the respondents in rural areas indicating that their income situation had worsened.[70]

The survey clearly showed that different townships in Shan State have different development problems. However, overall, the limited access to (clean) water comes out as a main problem, mentioned by a quarter of the respondents, followed by the absence of connection to an electricity grid and, in third position, poor roads.

The situation varies from township to township, without any apparent link to its location (i.e. regional trends). In Kengtung, 60% of the respondents, and in Nansang 44% mentioned water as main problem. The lack of electricity was a main problem in Mongping (42% of respondents), Namtu and Nyaungshwe (both 27%). In Hsihseng Township health was a main problem, and in Hopang poor quality of education whilst in Lashio, unemployment was seen as the major issue. For the aggregated data (Figure 8) in none of the townships roads was the main issue. Yet, when looking at the results by ward and village tract (see Figure 9) bad roads appeared as main issue in Kone Hsut Village Tract (Hsihseng TS), Hpar Waw Village Tract (Mongping TS) and Pan Long Lan Ward (Hopang), once more illustrating the localisation of development issues.

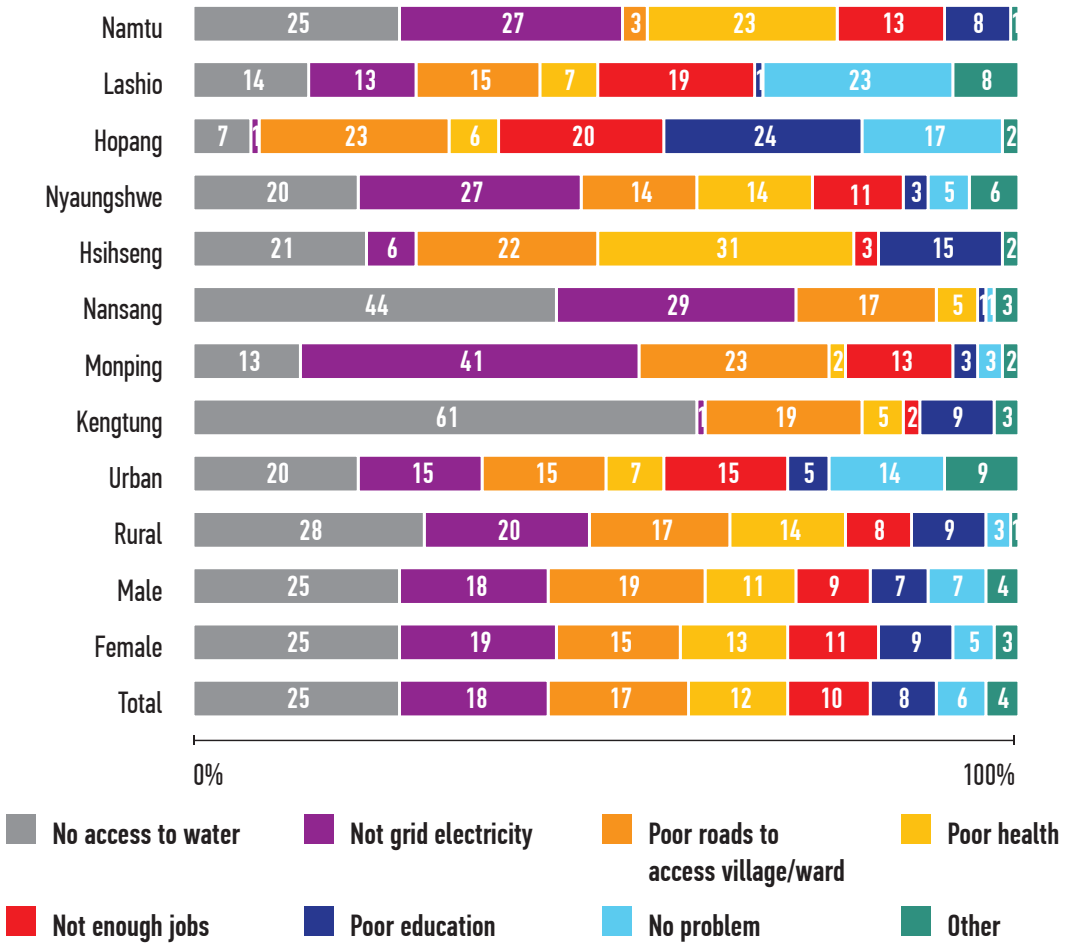
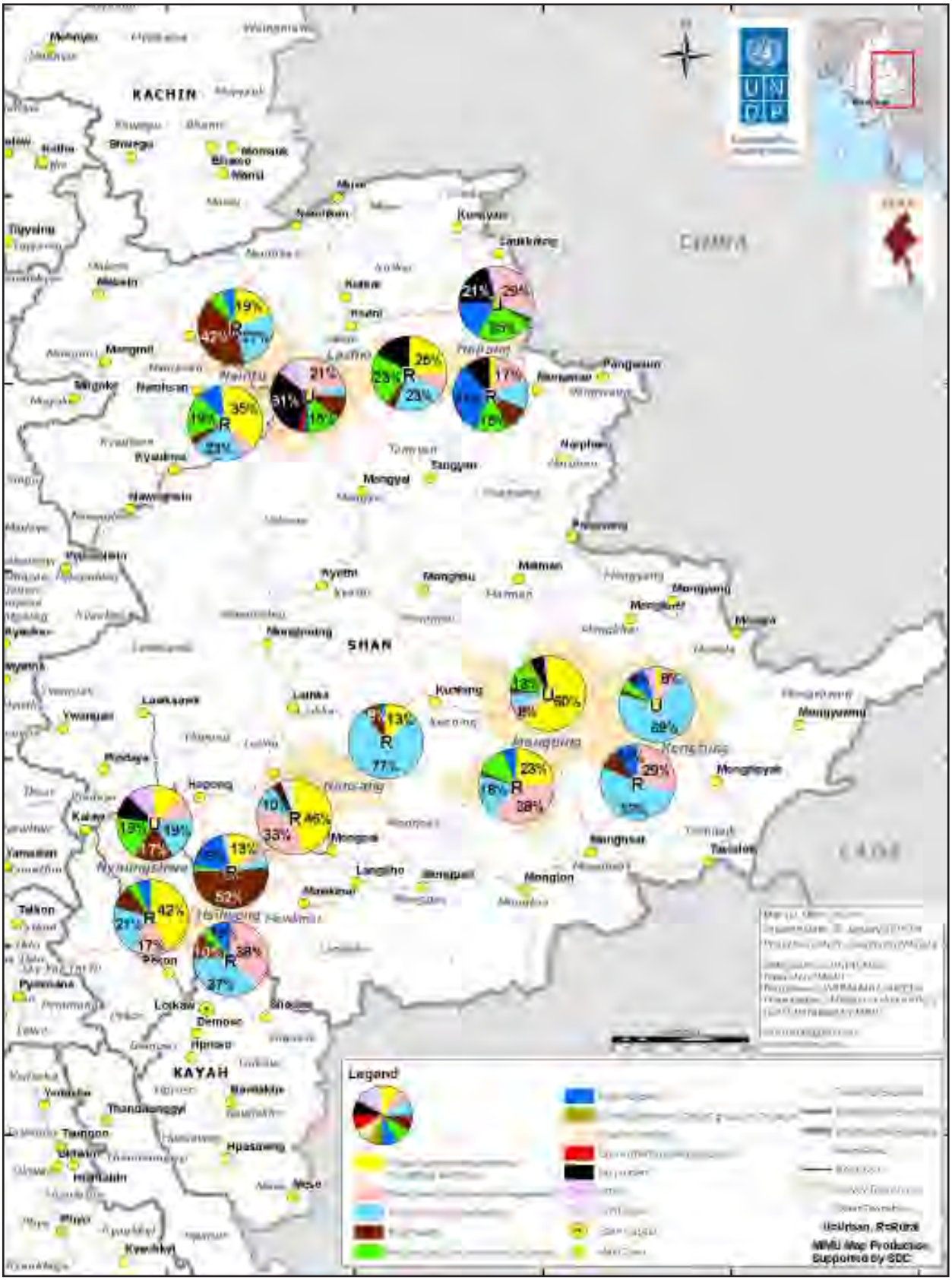


Figure 8: Main development issues as identified by respondents

70. Especially in the two village tracts in Hsihseng township, respondents reported a deterioration in their food (24%) and income (33%) situation, the reasons for which are nor immediately known, apart from the fact that some have suggested that people in Hsihseng (and Monping) are more outspoken and critical towards the government.

Figure 9: Most important problem in the village tract or ward



When asked whom the respondents see as the first responsible party to address the issues that have been named as major development challenges, between three and four out of ten respondents were mainly pointing in the direction of the State and/or Union government (see Figure 10). Especially the urban respondents expect the higher-level governments to solve their issues. Slightly less then a third of the respondents, pointed at the Ward or Village Tract Administrator as the person who should take the development issues forward. Relatively few (overall about 10% and 17% in the urban wards against 5% in the SAAs) saw the township administrator as the person to address the development issue, illustrating that, next to the higher level government, the VTA is seen as the local development agent in the rural areas; whilst the township administrator has a relatively low profile, although slightly higher in urban areas as compared to rural areas.

Even in the townships located in the SAAs (Hsihseng and Hopang), relatively few respondents saw the SAA-leading body as the agency responsible to address their development issues.

So respondents seem to either look up to higher-level government (Union or State), or to the next-door W/VTA, who is at the same time peoples' representative and government intermediary; but the township (or the SAA) level is so far less seen as a service delivery level to bank on.

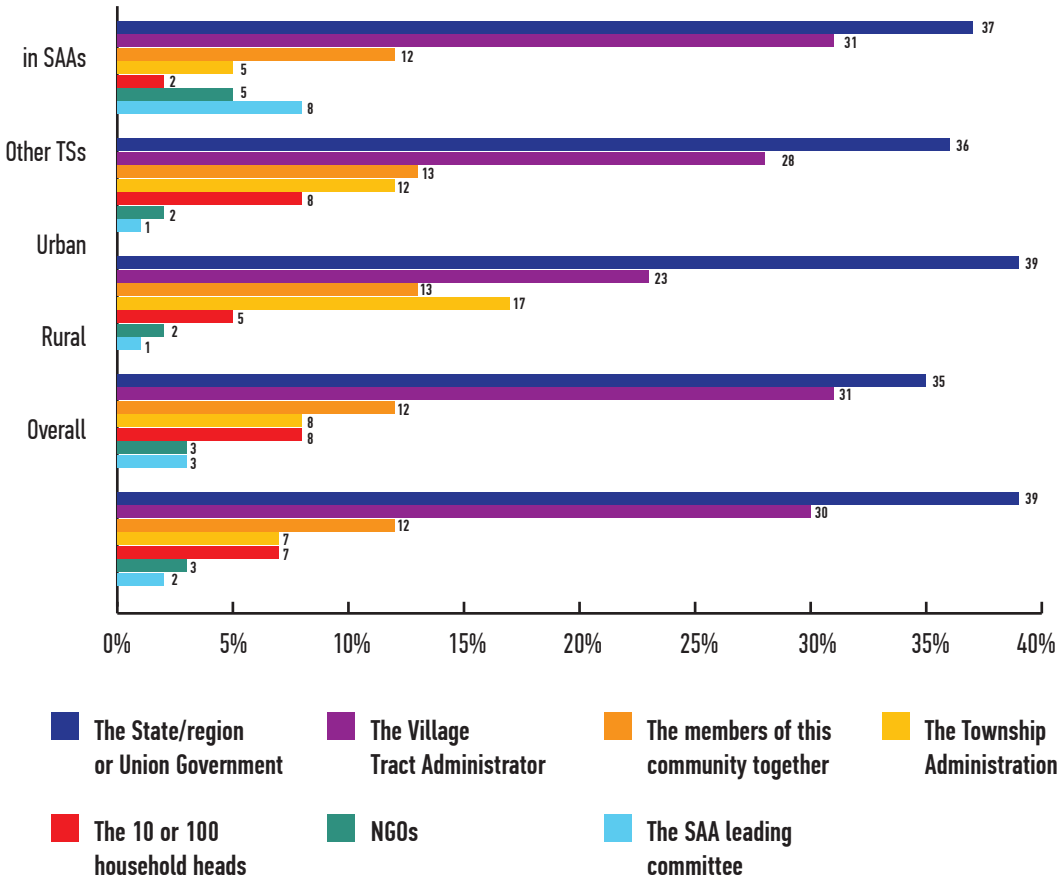


Figure 10: Party held responsible for addressing the development problems

4.3 Citizen Participation and Representation

The majority of respondents (62%) indicated to have never participated in a ward or village tract meeting. Participation in such meetings is highest for the rural and male respondents, and lowest for the group of urban respondents (see Figure 11 and 12). Also in the SAA townships, participation is marginally lower as compared to the overall average.

Figure 11: Respondents participating in village tract/ward meetings

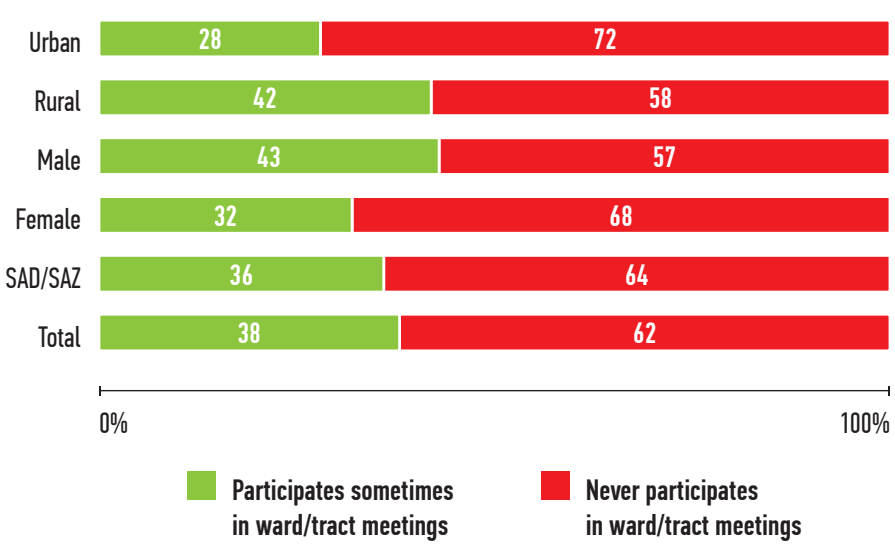
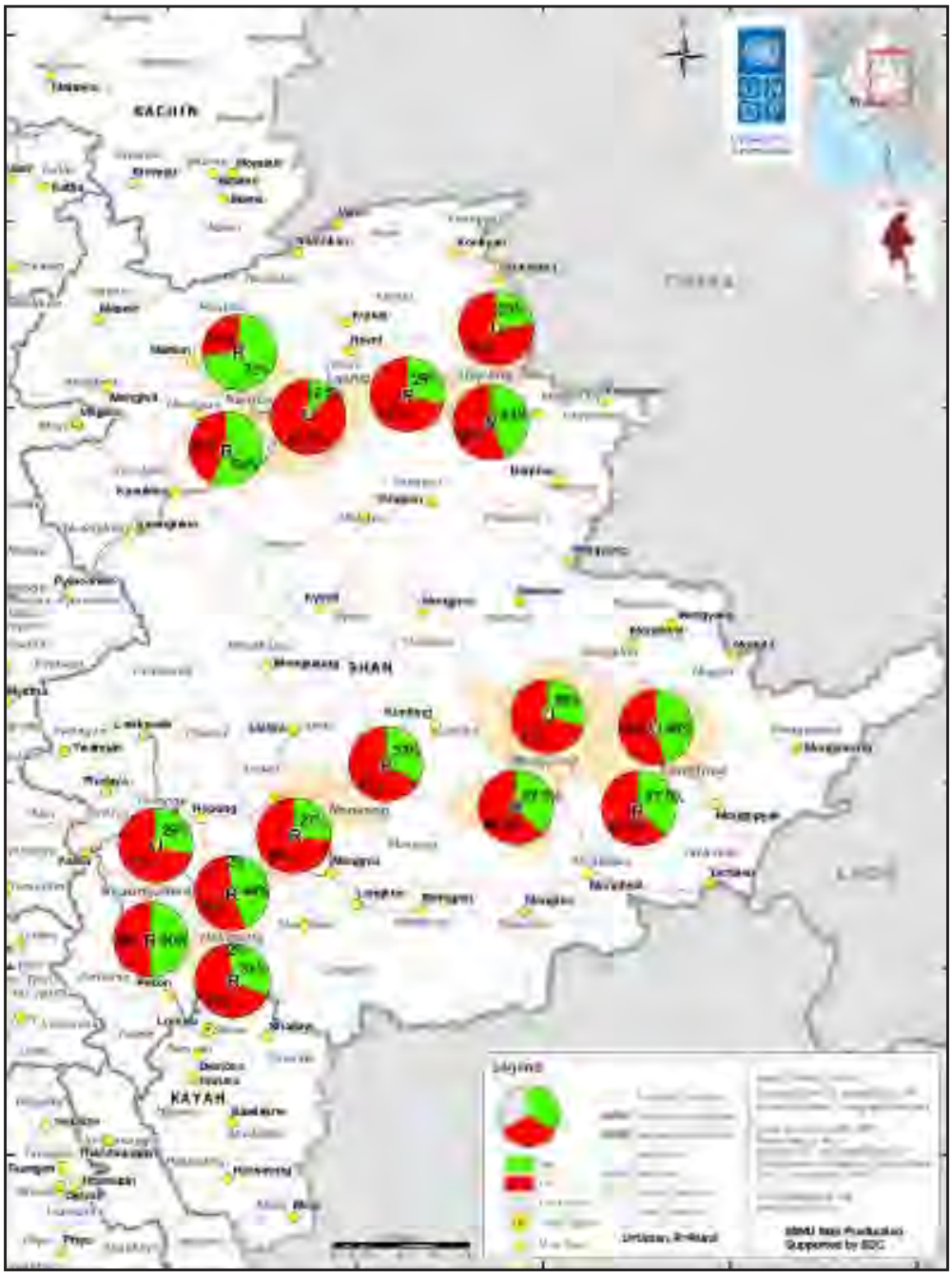


Figure 12: Respondents participating in village tract/ ward meetings



Overall, the data seem to suggest that only a fraction of the population directly participates in discussions and decision-making regarding public sector issues, which means that the majority relies for their participation on representation, which underlines the importance of having proper elections for the various committees to select the peoples' representatives.

Half of the people that never attended a ward/tract meeting reported that they had never been invited or had no information about such meeting; One third (37%) indicated that they were aware but choose not to attend (e.g. because they had no time). Ten percent of the women indicated that they were not allowed (e.g. by their husband) to attend the meetings.

Another aspect that may limit direct active participation is that many people are still not comfortable to publicly express their opinion about government performance. More than four out of every ten people (with a bias to the rural and female respondents as well as those in the SAAs) explicitly stated that they are 'not feeling comfortable to express their opinions on what they think about government' (see Figure 13). Unsurprisingly, the more exposed and generally higher educated urban population feels most free, relatively, to say what they think - but also here still 30% is reserved and another 30% very cautious in saying what they think.

In such a situation, a representative democracy, whereby those that do not feel free to openly express their opinion can, in a secret ballot, choose those that have less fear, as their representatives, may be an appropriate model - applied in many democracies around the world.

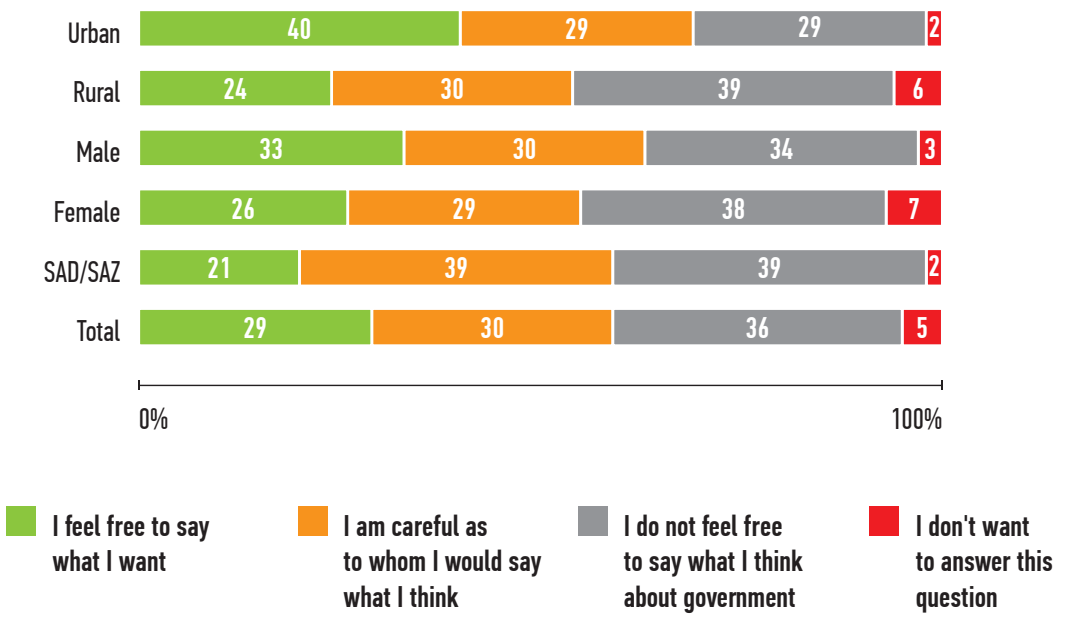


Figure 13: Perception of freedom of expression regarding to government performance

4.4 Views on the Quality of Service delivery

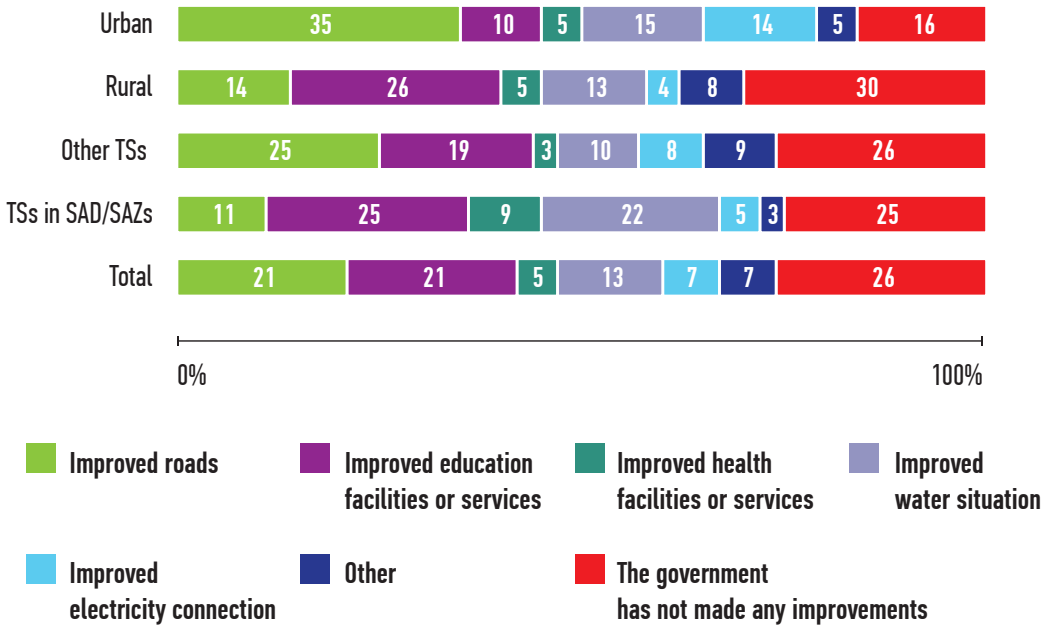
4.4.1 Overall

Three out of every four respondents (74.7%) could mention at least one sector for which, in their view, government has made some substantial improvements in service delivery over the past few years. Improved roads (not surprising considering the share of the Sate budget used of roads) and improvements in primary education were most mentioned. Improvements for electricity supply and health scored lowest.

It is worthwhile noting that respondents saw fewer improvement in the sectors that they marked as 'major development challenges', being water and electricity. This does not necessarily mean that government has not addressed their 'priority needs' (which could have well been roads and education), but respondents do seem to say that they also wish to see improvements in the other sectors, notably water and electricity supply.

The flip-side of 75% of the population seeing some kind of improvements in government service delivery, is that one in four respondents (25% overall and even 30% in rural areas) said to have not witnessed any improvement in service delivery over the past few years, being the most or second most frequent answer for all categories as shown in Figure 14.

Figure 14: Peoples' perception of what government has done over the past few years



Clearly, the urban respondents were most positive, with 84% of the respondents seeing positive change (especially for roads), while for the rural population this percentage only was 70%, with education (on Union budget) being the most mentioned sector were improvements were noted. There was no significant difference in the number of respondents that did not see any improvements between SAA townships and the other townships (although the sectors were improvements were noticed varied, which is likely not a structural difference but a coincidence of the selected areas for this study). The responses do seem to suggest that government investments were more biased to, or at least more visible, in the urban areas.

The CRC then zoomed in on three sectors, namely education, health and water; the main findings are presented below.

4.4.2 Education

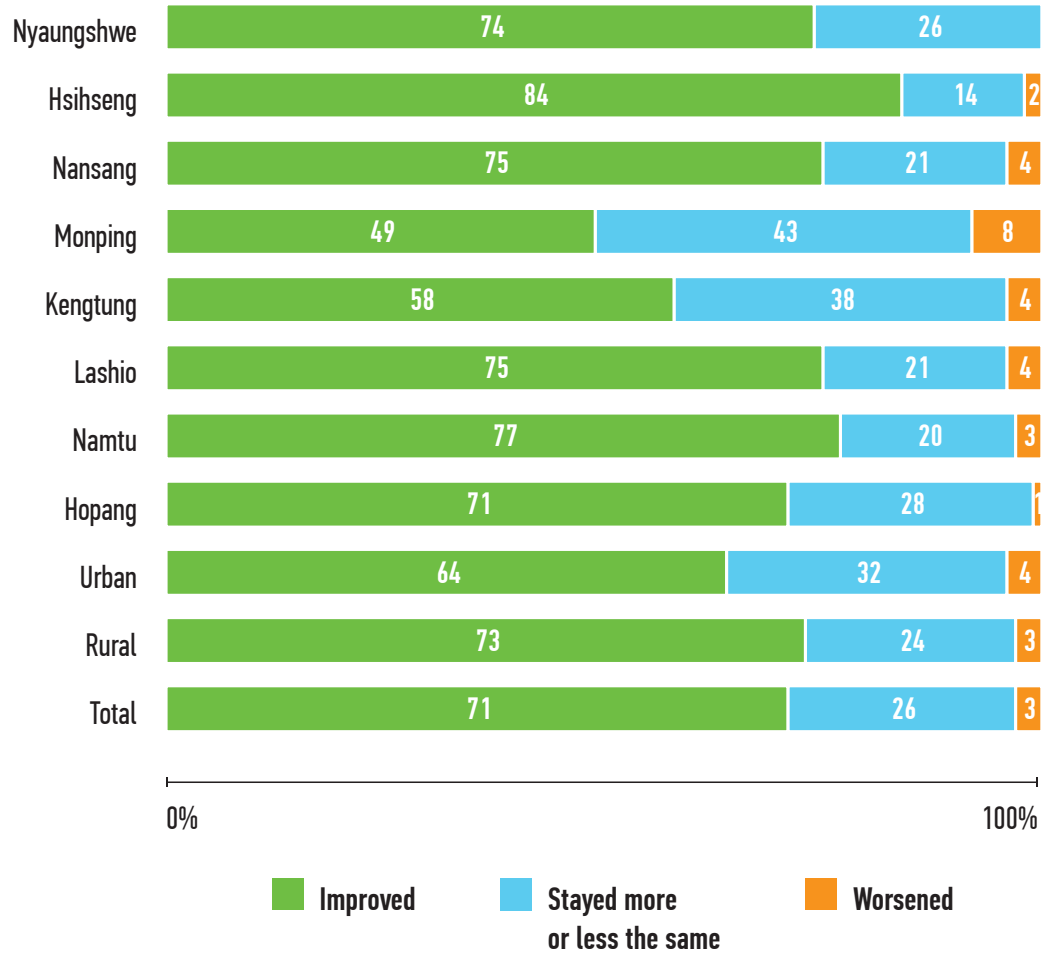
Basic education in Myanmar consist of 5 year of primary education, four years of lower secondary and two years of upper secondary education. The number of respondents (38%) not having completed primary education illustrates the past flaws in the education system, when -under the military rule- government was often accused of paying insufficient attention to the social sectors such as health and education.

Over the past few years, this situation has changed quite dramatically, with a growing share of the education budget in the total budget growing to 4.4% in 2013/14, which is a considerable improvement with the recent past, but still low in comparison to the defense budget (20.8%) and low as compared to neighbouring countries (e.g. Vietnam where 20% of the government budget is spent on education).[71] Another change, very relevant for Shan State, has been the introduction, in 2012, of mother tongue language teaching.

The question for the CRCs was to see whether citizens had noticed these changes with regards to education service delivery, and the answer is affirmative. Despite the fact that education is not seen as a major development issues (See Figures 8 and 9) that is a little surprising given the low level of social sector spending; or maybe just because of the low starting point - seventy percent of the respondents indicated that the quality of education had improved over the past few years (see Figure 15). Also in townships where education was more often mentioned as a 'main issue' (such as in Hopang and Hsihseng) an above average number of respondents also noticed improvements, suggesting -albeit without hard evidence- that gaps are being addressed. Kengtung and Mongping, both in eastern Shan, recorded the lowest number of respondents that saw improvements and the highest[72] number of respondents (notably in Mongping) that thought the level of service delivery in the education sector had deteriorated.

71. Martin Hayden and Richard Martin, Recovery of the education system in Myanmar, Journal of International and Comparative Education, 2013, Volume 2 Issue 2 and UNDP/UNCDF Local Development Background Study (2012), unpublished
72. Remarkably, for the same wards or tracts, some respondents assess a situation as improved while others rate it as deteriorating for the very same reason (e.g. increased / decreased number of teachers), whereby they must either refer to different situations (e.g. different grades), or -either of the two parties- just be ill informed. Situations like this have sometimes rendered the interpretation of the CRC perceptions, without hard facts concerning the real situations to validate the opinions, as almost treacherous undertakings.

Figure 15: Peoples' perception on the trends in the quality of primary



Main reasons why respondents were of the opinion that the quality of education has improved is because school infrastructure has improved (most cited reason); because the number of teachers has improved and because teaching methods have improved, whereby the latter may also refer to the increased availability of both text and note books (see Figure 16). The noticed high rate for improvement in Hsihseng township could be that since 2012 both Pa'O and Shan languages are taught as schools as being dominant local languages in the area.

In Kengtung Township, that saw relatively little change, the reason of those that did see change was infrastructure (which could have been limited to selected locations). In Hsihseng, Hopang and Nansang, where people were positive about the improvements seen across the board, the increased number of teachers stands out as the main reason for the improvements. This seems to illustrate (albeit an open door) that generic improvements which impact on all schools are more easily noticed and acknowledged.

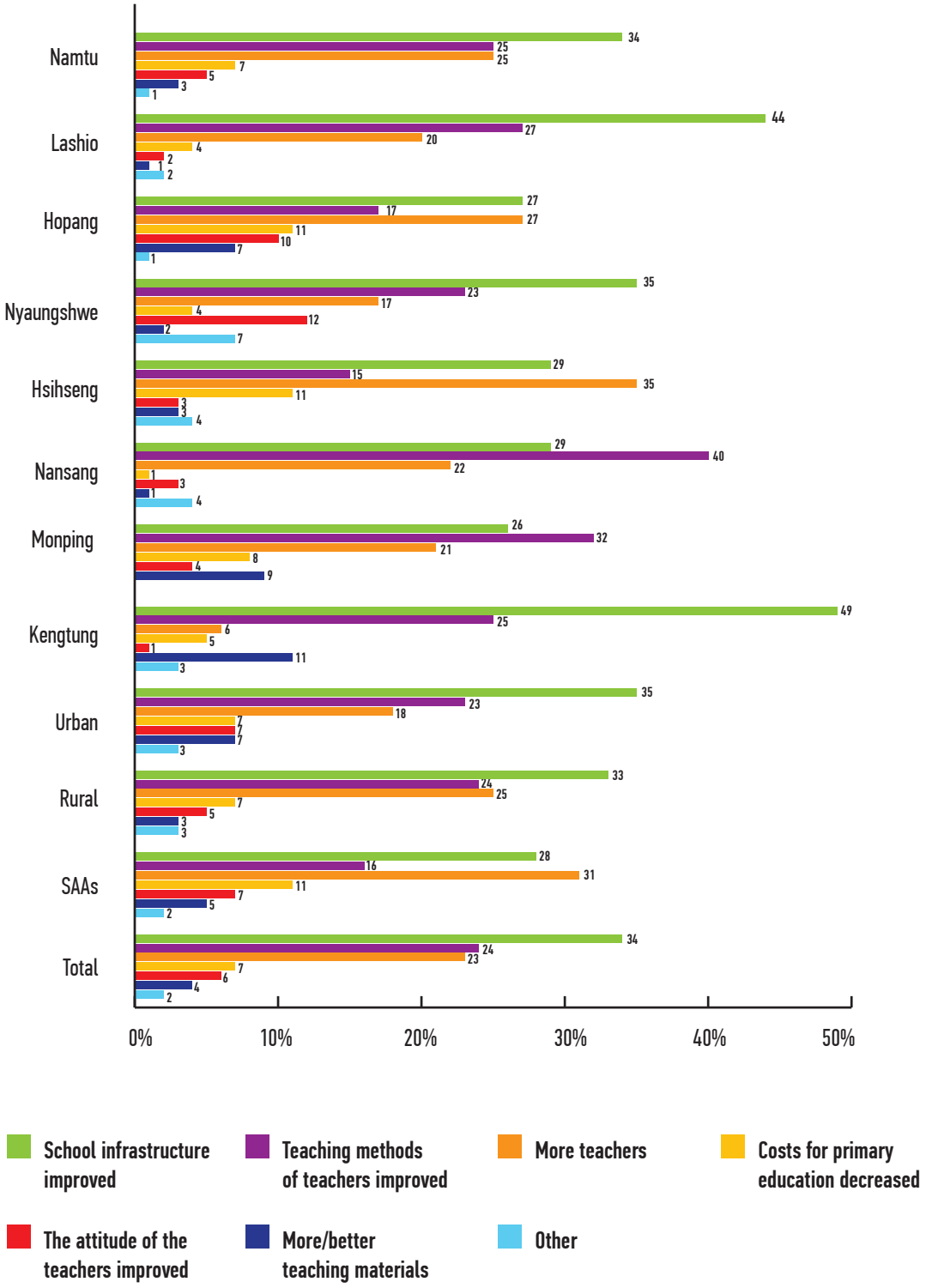
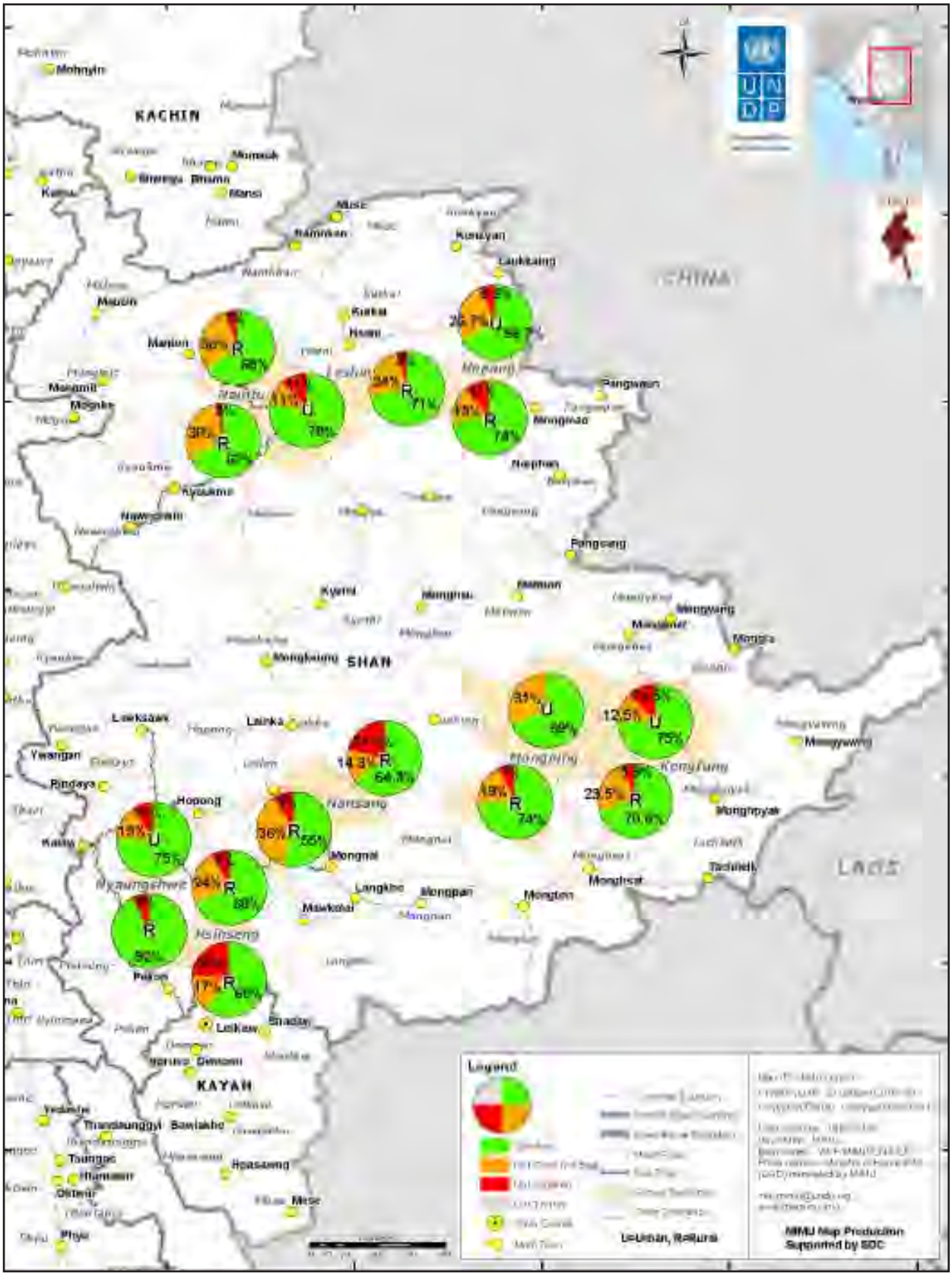


Figure 16: Reasons why peoples' perceptions of the quality of education have improved

Maybe a little surprising in view of the until recently rather appalling situation in the education sector, over the two-third of respondents indicated that they are presently satisfied with the quality of education (see Figure 17 and 18). This, however, really seems a sign that the clients of public services are not over demanding - at least not yet.

Overall, the urban population seems slightly more satisfied with the services than the rural respondents, which seems to suggest (also because the urban respondent are normally more outspoken) that the situation is better in the wards as compared to the village tracts, and which is consistent with the earlier observations that increased government investments may have been biased -at least in peoples' perceptions- to the urban areas.

Figure 17: Overall rating on the quality of education



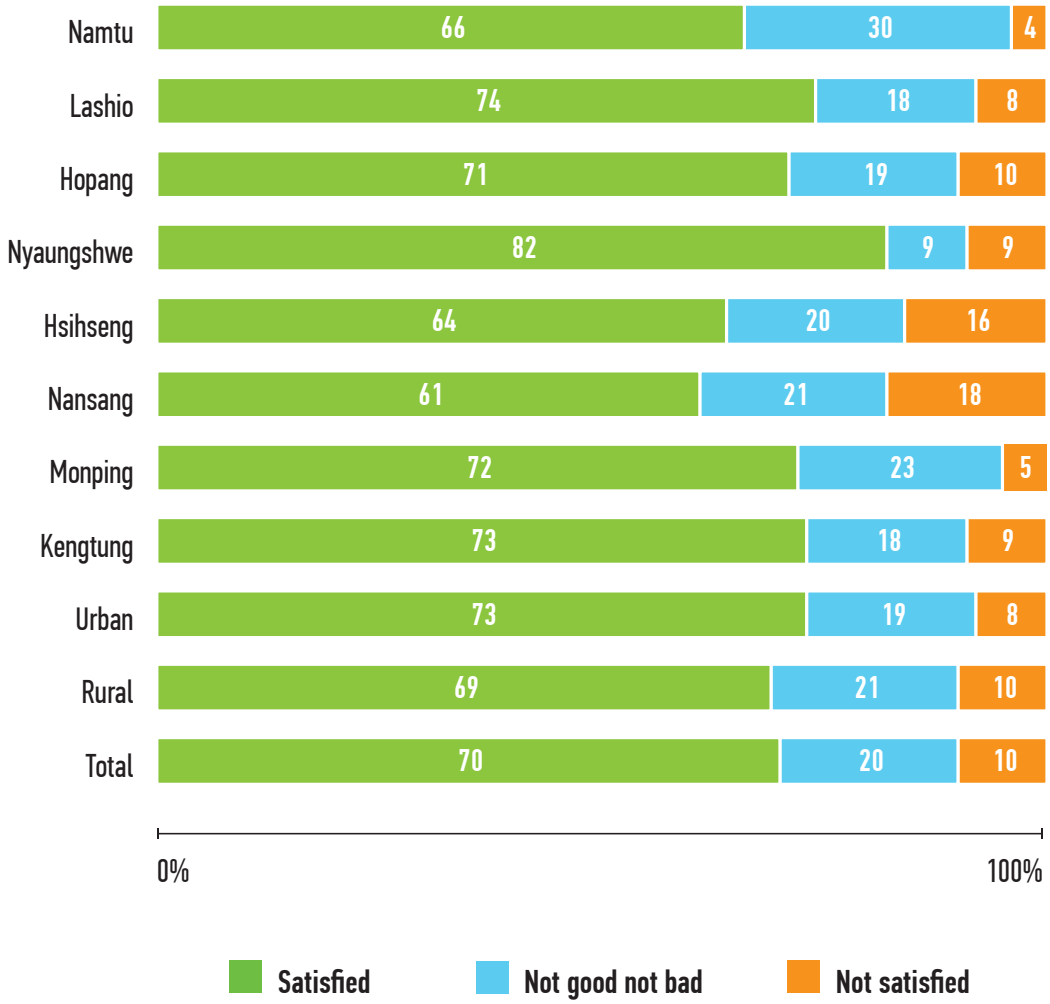


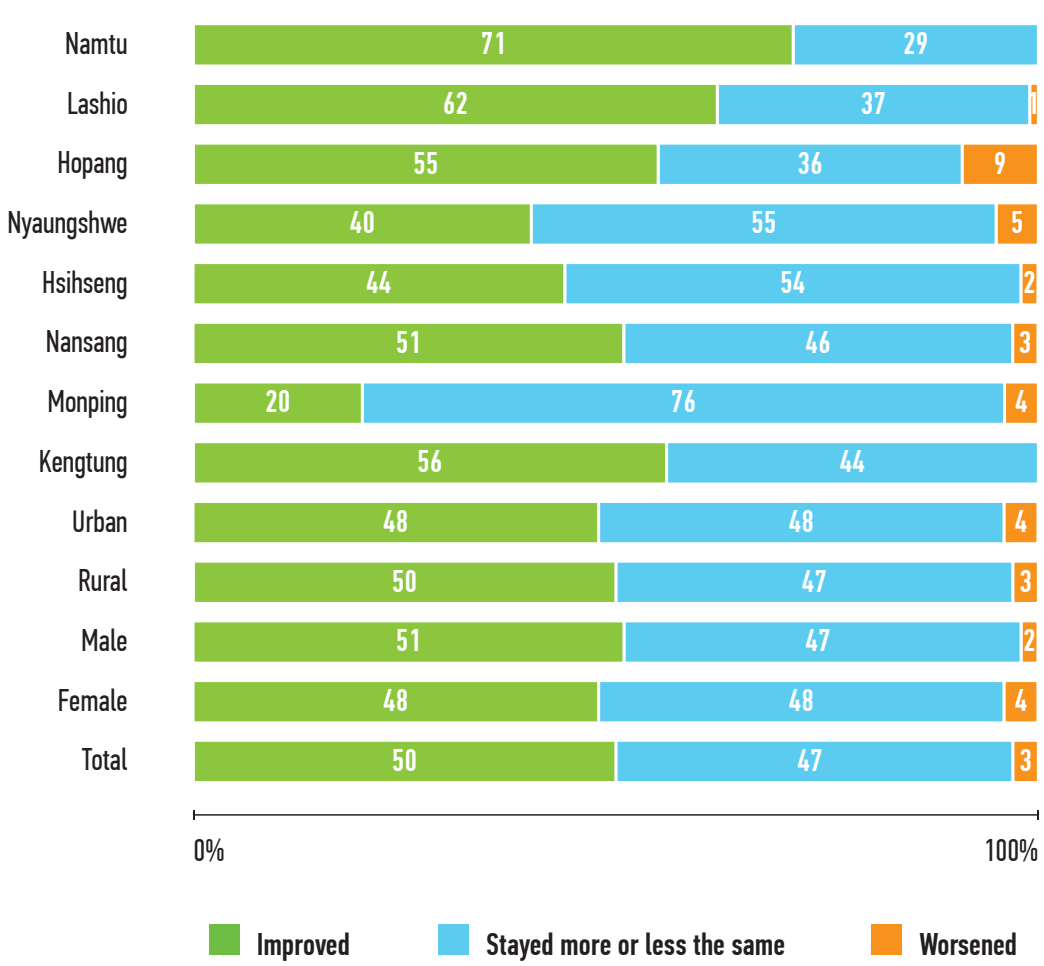
Figure 18: Overall rating on the quality of education

4.4.3 Health

Also for health, quite a number of respondents (50% overall) saw improvements in health care service delivery over the past few years, but the picture -from a CRC perspective- is certainly less bright as compared to education.

Some townships (Mongping and Hsihseng) show lower levels of satisfaction (maybe in part because people in these areas are known to speak their mind), but overall, for the health sector the main message of the respondents seems to be that 'the situation has not deteriorated', Hopang apart where 9% indicated that quality of health services had decreased, mainly -as the concerned respondents said-, because the number of health staff had decreased (see Figure 19).[73]

Figure 19: Peoples' perception on the trends in the quality of health care



Those who indicated that health services had improved, advances different reasons, with improved infrastructure overall the seemingly most important factor, but increased staff numbers (most significant in Hopang), better equipment and better availability of drugs (Nansang), and reduced costs (Mongping and Kengtung) also scored high while -and even while nowhere mentioned as main improvement- for all townships the improved staff attitude was also mentioned (see Figure 20).

73. Six times as many respondents in the same township, however, noted that health services had improved because the number of health staff had increased. See also footnote 64.

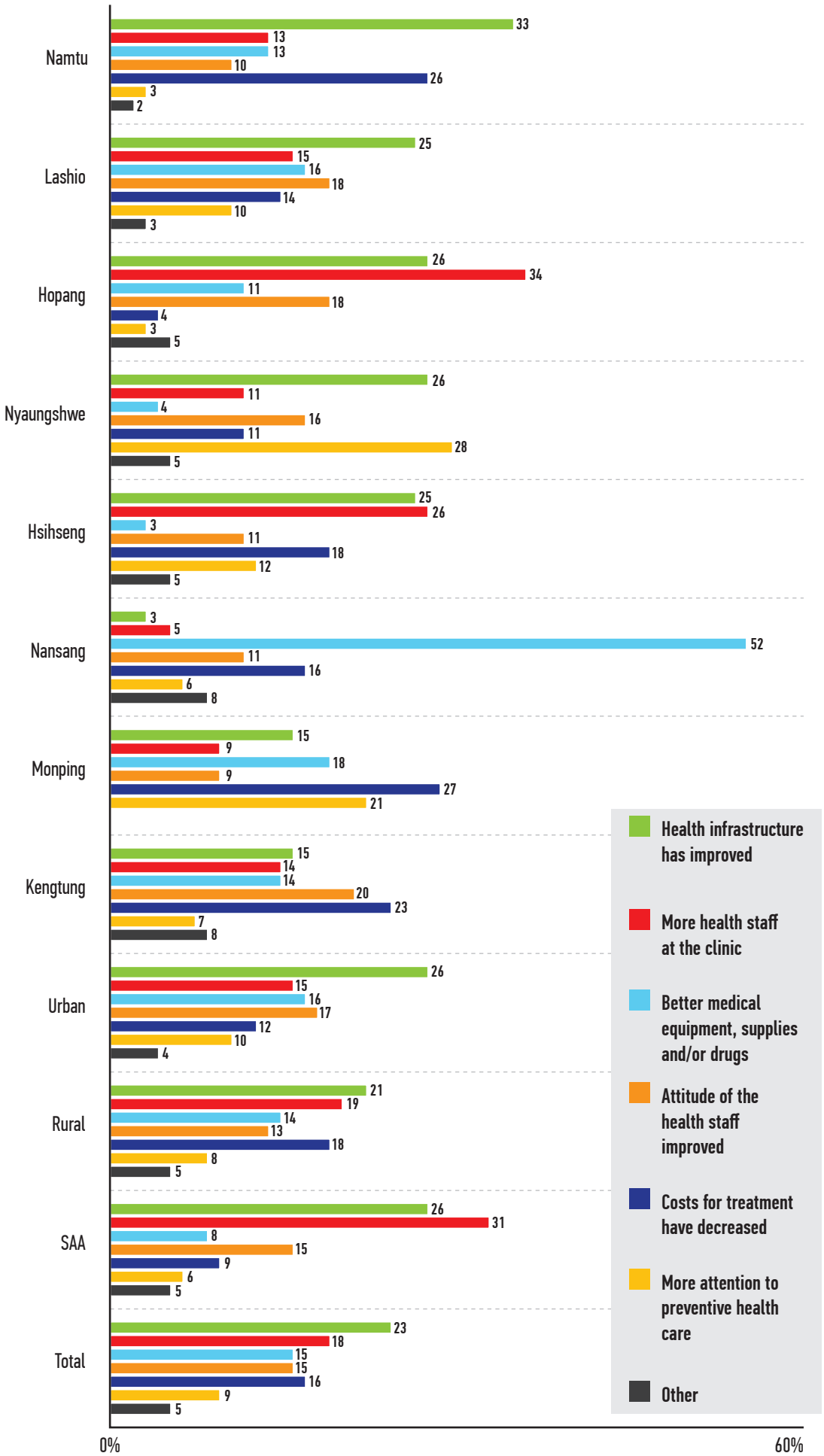
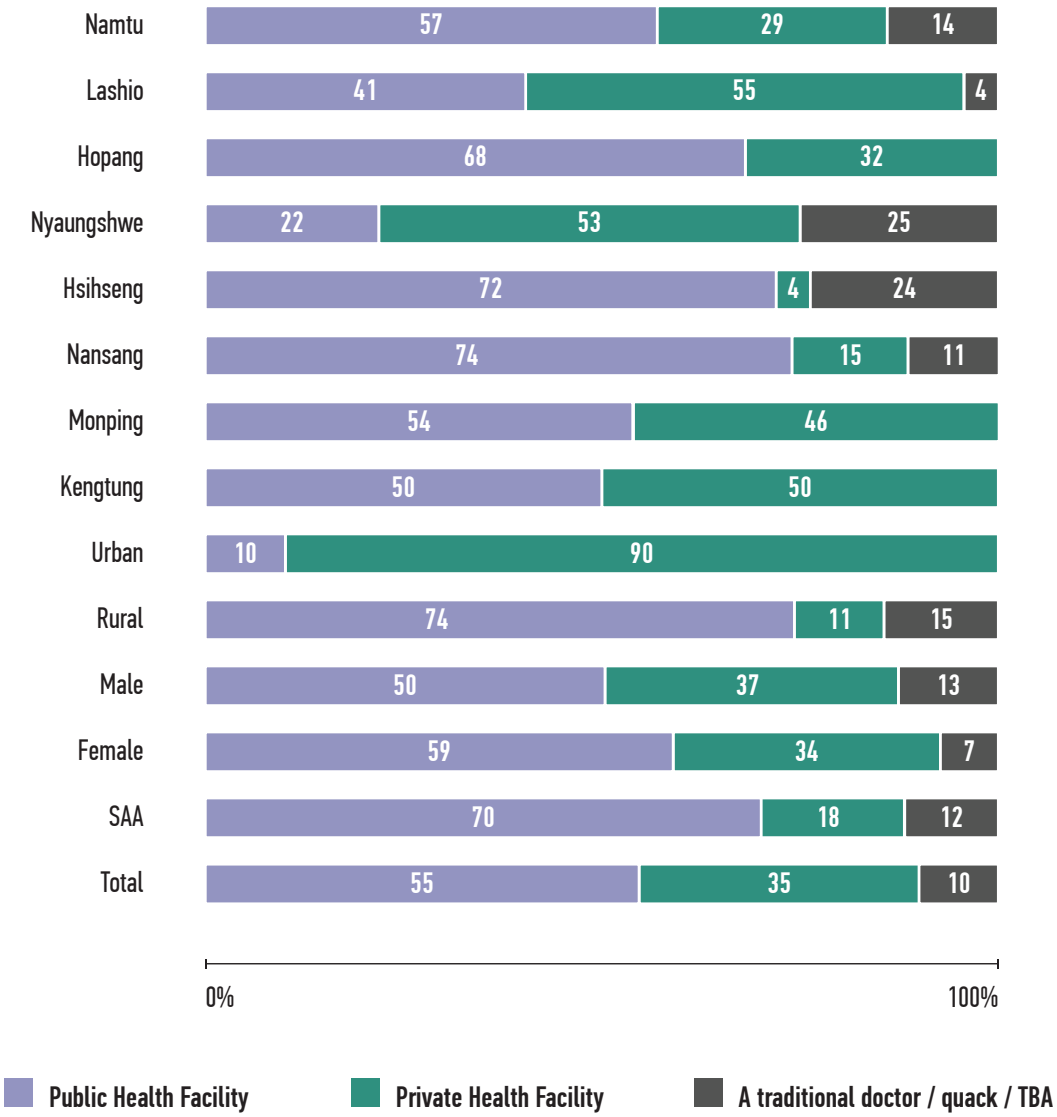


Figure 20: Reasons why peoples' perceptions of the quality of health care have improved

In terms of appreciating the responses about improvements in public sector health services, it is important to keep in mind to which provider people actually go in case of need. In the 'relatively more urbanised townships', such as Nyaungshwe and Lashio, but also in Kengtung and Mongping, the majority of respondents indicated that they usually go to a private doctor (see Figure 21). In fact, a total of almost 90% of the respondents in the urban wards indicated that they go to a private clinic. It is in the rural townships, and notably in the village tracts, as well as in the SAAs, that people are more dependent on public health services.

Figure 21: Type of health facility first used when sick



It may further be worthwhile to note that female respondents were more inclined to use public facilities, as the male respondents also relied on traditional medicine. Traditional doctors are furthermore popular in (the village tracts of) Nyaungshwe and Hsihseng, but basically absent in the urban wards.

Major reasons to go to a private facility are practise ('we have always gone there'; 25%) and convenience ('it is close by'; 26%) which are two closely related arguments, meaning that for a long time these respondents have relied on private health care and do not even think about alternatives. The other half of the respondents visiting a private clinic (instead of public clinic) indicated a variety of reasons all related to the quality of service, the most important one being staff qualifications (19%), staff attitude (9%) and availability of staff resulting in a more expedient service (i.e less waiting time; 12%).

Overall, considering the entire package of health services as available to them (and which is different from the wards to the tracts), slightly over half of the respondents indicated to be 'satisfied' with the present situation (whereby one has to keep in mind the possible 'positive bias' in the answer for the sake of not being too critical). Unsurprisingly, given the above analysis of providers, the urban respondents are generally more positive, while for the rural respondents a larger share (22%) explicitly indicated not to be satisfied with the present situation. The results should be read as a clear request for public health services, especially in the rural areas where private clinics are not available as a fall back option. It should also be read against the background that people so far noticed limited improvements in the health sector (See Figure 19).

Consistent with the data in Figure 9 above where 31% of the respondents in Hsihseng township indicated to see health as the man development challenge, a large proportion of the respondents in that township (44% an by far the largest percentage) indicated to be dissatisfied with their health services, which are by and large (70%) public (see Figure 22 and 23).

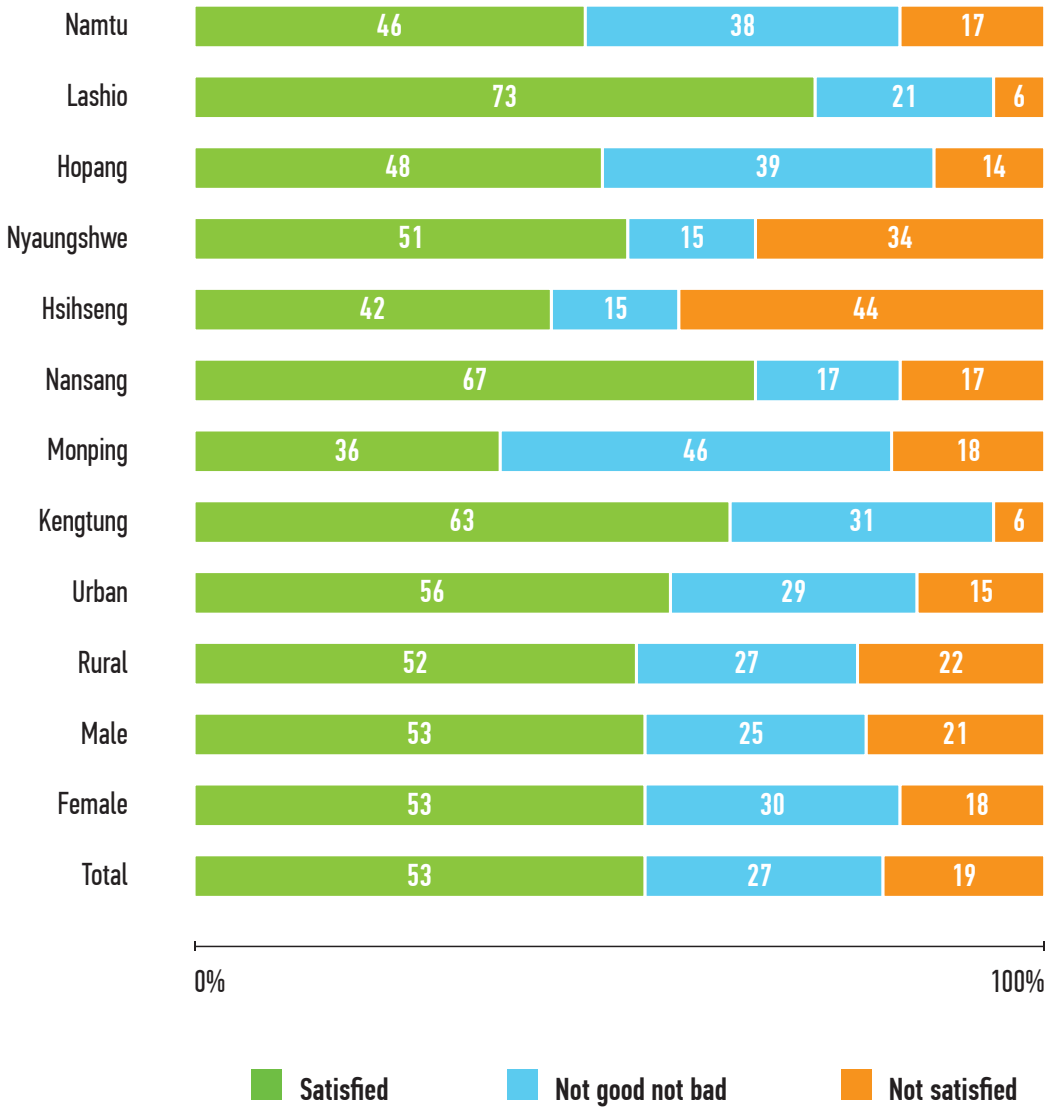
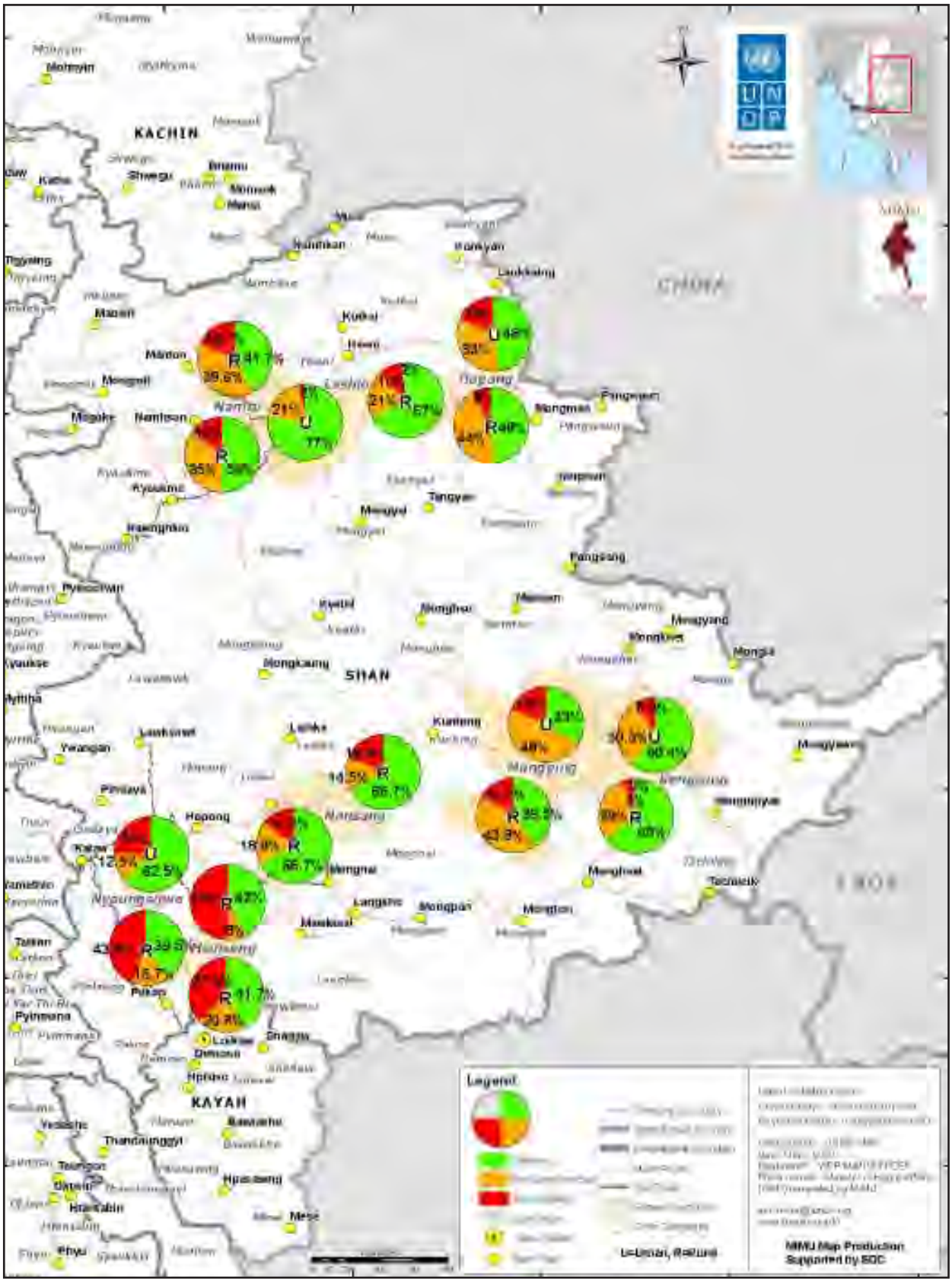


Figure 22: Overall rating on the quality of health

Figure 23: Overall rating on the quality of health



4.4.4 Water Supply

The respondents saw insufficient access to (clean) water as the major development challenge for the State (See Figure 8 above). On average, slightly over one-third of the respondents saw improvements in water supply over the past few years (with a positive outlier for Hopang, where almost 2/3 saw improvements) (see Figure 24). The township background studies indeed revealed that various water supply projects are either being implemented or being planned.[74] The scale of those projects, and related to the nature of water supply, may be small and confined to villages (not even village tracts) or a group of beneficiaries in a village. This may explain why, overall, a majority of respondents did not see any changes in water supply over the past years. Especially, in Namtu and Nyaungshwe the situation -respondents thought- deteriorated, main reason being that the water source used got (more) polluted.

It could be that respondents listed the water sector as a main challenge because no improvements were seen. However, water supply is well know to be a major issue in many part of the country, Shan not being an exception, and hence the conclusion seems justified that people saw least improvements in the sector they listed as having their highest development priority.

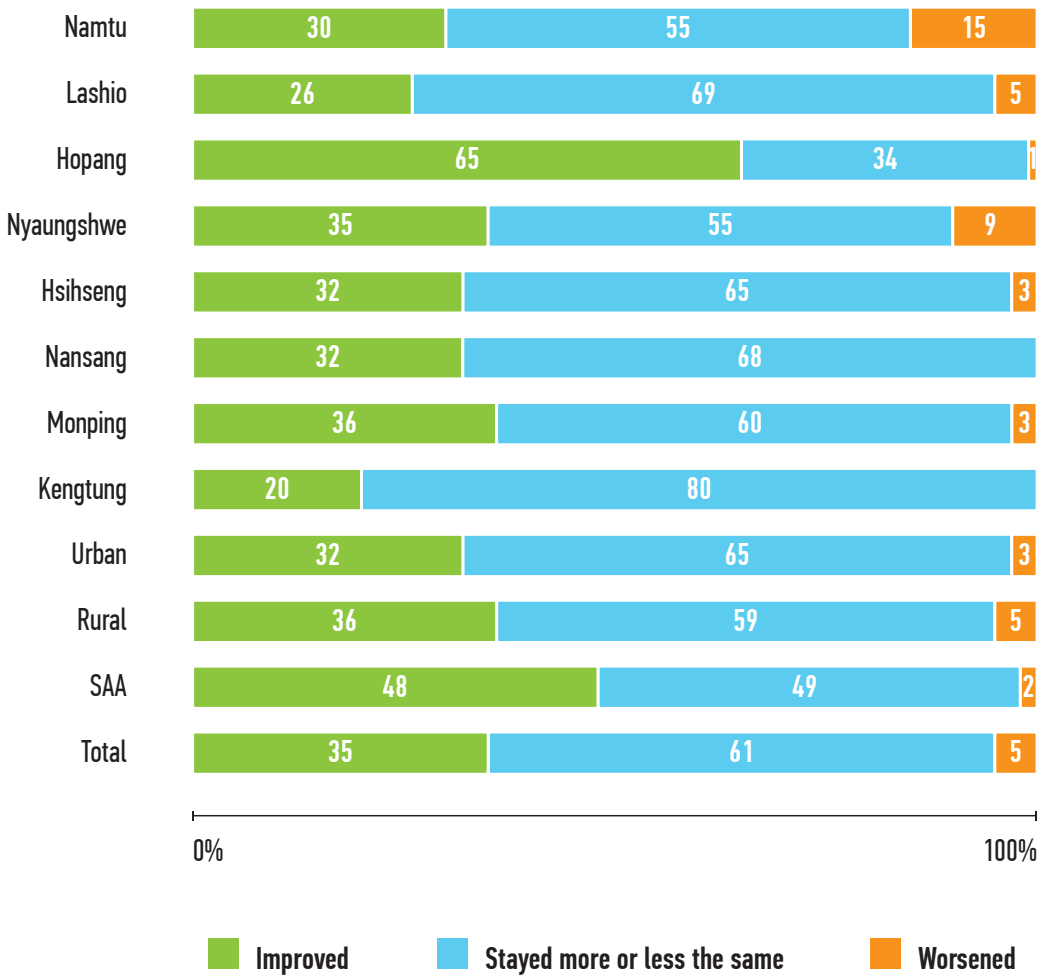


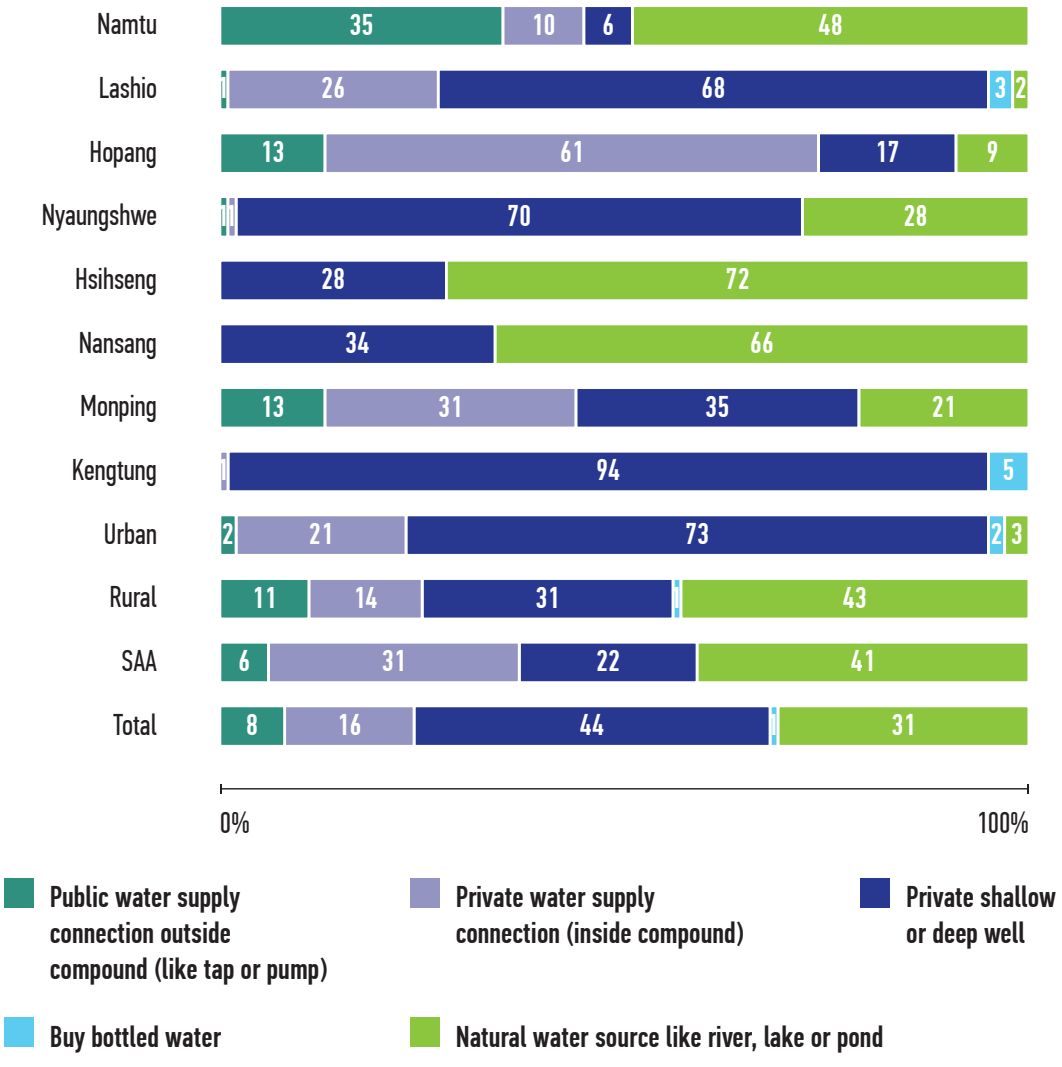
Figure 24: Peoples' perception on the trends in the quality of water supply

74. For example, in Lashio township (visited in August 2014) there was a plan by the Department of Rural Development (DRD) to provide water supply to 18 villages in the township before March 2015, which included provision for sinking boreholes, construct storage tanks and connect pipelines and have pumping facilities, for a total of almost 40,000 households. Also under CDF, Kyat 10 million was reserved for water projects. Even in Nyaungshwe, where many respondents thought the situation ad deteriorated, people some 2500 urban households benefited from the deep well constructed by the Department of Municipal Affairs (DMA), while in addition the DRD constructed 4 drilled tube wells, 2 hand- dug wells and 10 gravity flow systems. In addition, the CDF funded a few water projects. Also for Hsihseng, the sinking of deep well was reported, to the extent that the situation had improved, yet remained a main development issue given the scale of the problem. The same applies for Nansang, Mongping, where most of the CDF was used for water projects and Kengtung.

As for health, peoples' perceptions on the quality of services can only be understood against the background of the systems of service provision. As for health, equally for water quite a number of households rely on private sector provision, in this case own initiatives for those who can afford; in fact, only 8 percent of the respondents accessed water through public provision; 31 percent used a natural water sources (such as a river or a lake) while the other 60% had either a private well or a private connection. Only in Namtu, Hopang and Mongping some respondents, notably in the rural areas, have access to public water supply. Remarkably, the provision of public water supply is more common in rural areas then in urban wards.

Going by these data, the situation may be worse then measured by the Multiple Indicator Cluster Survey (MICS)[75], which estimated the proportion of households not using improved water sources in Shan ranging from 1 per cent in eastern Shan to 11 percent and 19 percent in southern and northern Shan, respectively. The Knowledge Attitudes and Practices (KAP) Survey on Water and Sanitation conducted in 2011 in 24 townships nationwide, including 4 from Shan State, already suggested that the situation might be much worse in some areas. According to this survey, as many as 35 per cent of households in Kutkai township (Shan North) were not using improved water sources against 37 percent in Pinlaung township (Shan South). The CRC data seem to be consistent with the latter, although it does not confirm the regional pattern.

Figure 25: Types of water sources used



75. Reported in UNICEF Profile of Shan State, 2013.

Overall, some 30% of the respondents indicated to rely on natural open water sources (which are in most cases not safe for drinking), a percentage that goes up to 40% for the rural areas - but which is almost zero for the urban wards (see Figure 25). In Hsihseng and Nansang (both South) over 60% of the respondents indicated to rely on natural open water sources, while this percentage was much lower for Mongping and Kengtung in the East.

Despite this poor situation overall, the overall satisfaction rating of the respondents remains remarkably positive. Overall, ninety percent is of the opinion that the quality of their drinking water is at least acceptable and over 60% thinks it is good (see Figure 26). In Namtu, Hsihseng and Nansang (all relying to a large degree on open water) the satisfaction rating is relatively lower. Only in Nyaungshwe, to a large extent dependent on private wells, respondents were less satisfied with the quality of their drinking water.

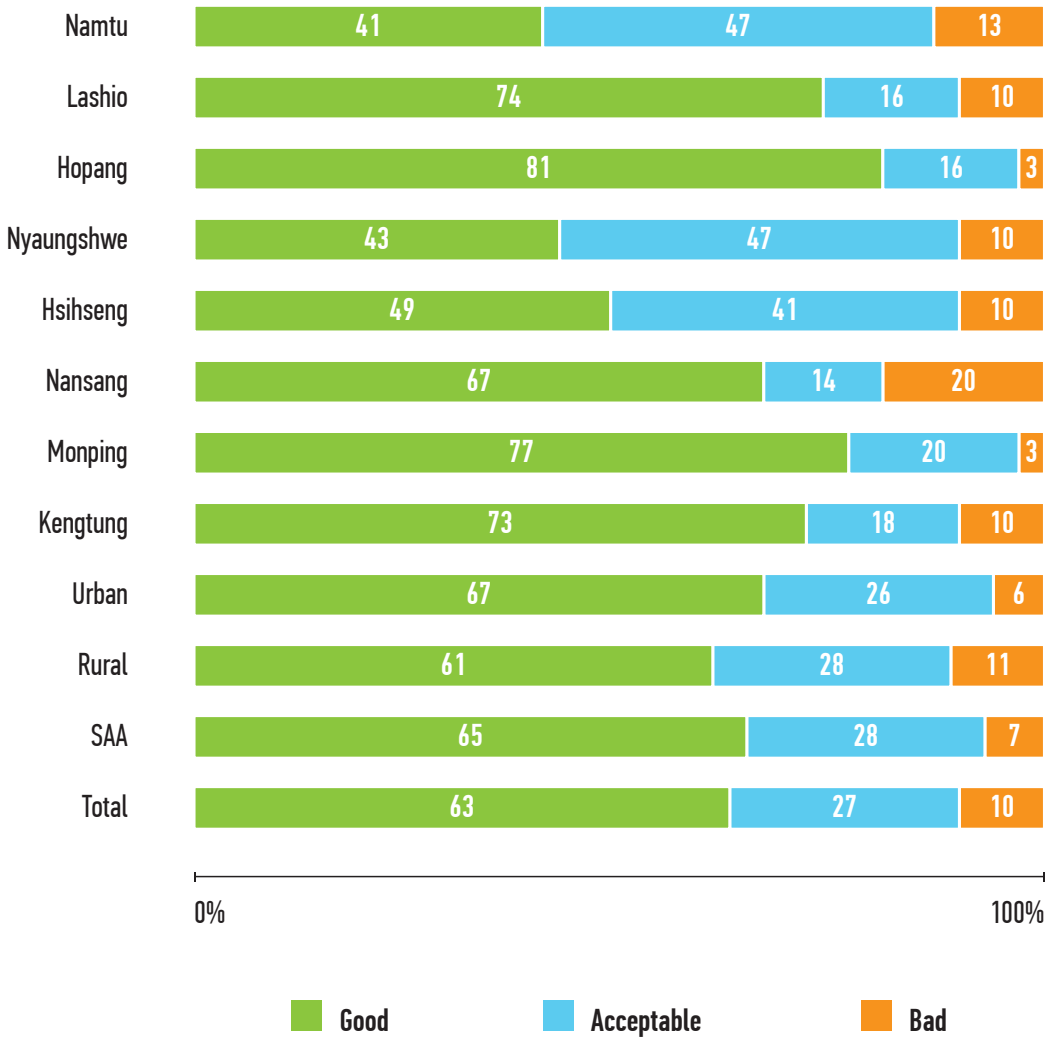


Figure 26: Respondents' perception on the quality of their drinking

As much as a positive attitude towards the observed improvements over the past three years and the quality of service delivery in the water sector at present must be appreciated, corroboration of the responses with the actual reality also suggest that citizens must learn to critically asses their own situation - in which absence systems of accountability and transparency are not going to make a big difference. A government that wants to improve performance needs a critical citizenry that keeps the service providers on their tows. For the private sector it is the market that keeps producers alert - for the public sector it is the voice of critical and vocal citizens, in the absence of which public providers may easily relax their efforts.

4.5 Transparency, Accountability and Responsiveness

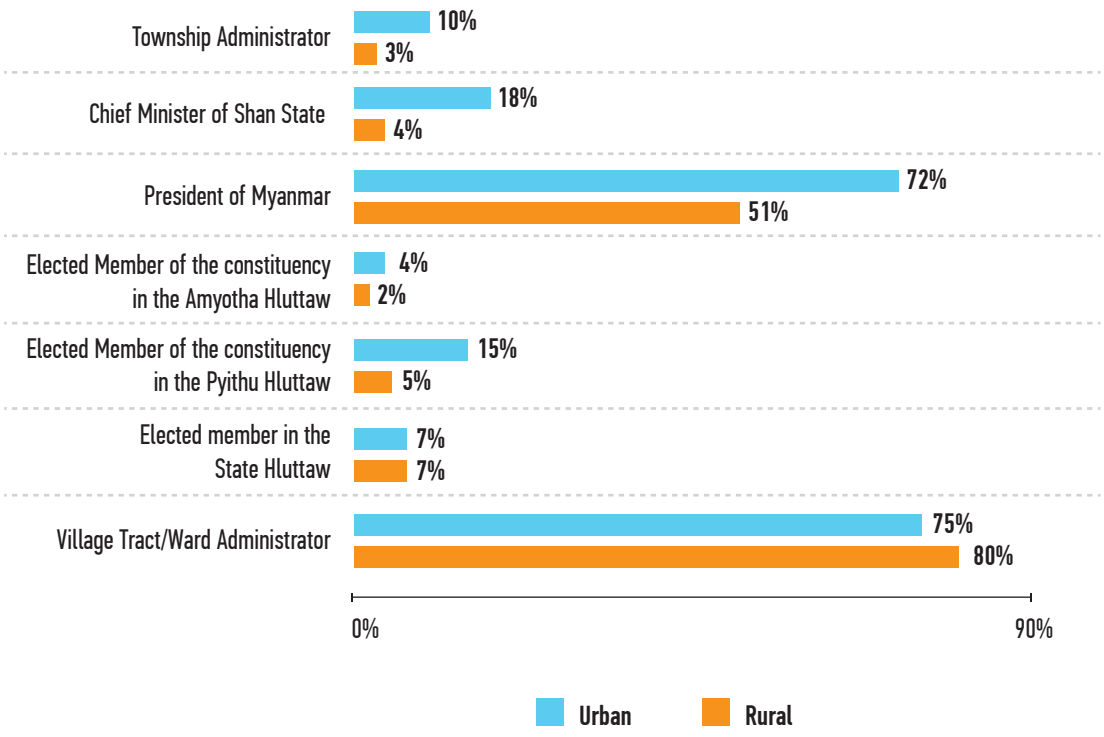
Name awareness: In order to be able to hold office bearers to account (and 'keep them on their tows'), there must be institutionalised mechanisms for people to voice their opinion and concern, as they were discussed in Chapter 3. But 'familiarity' and knowing the person in the position, at least by name would help to guide both direct and indirect participation. In that light, the CRC tested whether respondents were familiar with the names of certain office bearers - as a proxy for them being familiar with both their elected representatives as well as particular office bearers.

The elected or government appointed person best know to the public by name is the Ward and Village Tract Administrator; Some 78 percent of the respondents knew his[76] - as compared to 57 percent overall that were able to mention the name of the country's president. Hence, and maybe unsurprisingly, most people in Shan are more 'familiar' with the name of their W/VTA then with the name of their President.

Names of other 'public' figures are much less known, whereby the Chief Minster scores slightly better then the township level elected Union Pyithu Hluttaw member and the Shan State Hluttaw member. Least know are the Amyotha Hluttaw member and the township administrator.

Whereas the W/VTAs and the State Hluttaw member are better know (by name) in the rural areas then in the urban areas, all other mentioned office bearers (appointed and elected) are better know in the urban wards, suggesting that governance structures are more developed and/or better established in the urban areas. It was also in the urban areas (see above) were more respondents were positive about changes in service delivery.

Figure 27: Respondents that know the name of representatives and key officials



76. There are less then 40 female W/VTAs in the country out of 16,700 positions.

Overall, more male then female respondents knew the names of office bearers (for all categories). In the SAA townships, the elected SAA office bearer was known by around 20% of the respondents, after the W/VTA and the President but well ahead of all the others - suggesting that the SAA leading committee is a moderately, but certainly not extremely well known institution.

Perceived roles of the ward/tract administrator: As much as the wards and Tract administrator is well know, and as much as many look to them as the person to resolve their development challenges (see Figure 27 above), when asked about the main roles of these elected office bearers, the answers vary widely.

A role most frequently associated with the W/VTA is that of security and mediation in conflicts, which is the traditional role of the GAD/village leader. A much smaller number of respondents see the WA/VTA is his more current role of conduit between the village and the township administration - as the person who brings the ward and village problems to the attention of the government departments at the township level (16% of respondents) and, the other way around, disseminates information obtained at the township at the local level (7% of the respondents).

Still a sizable number of respondents (around 10%) see the WA/VTA as the person who 'ensures people to participate in community labour', a euphemism for forced labour which usually is at the disadvantage of the poorer segment of the population. Only relatively few respondents see the W/VTA as a 'civil servant' who collects taxes and ensures law enforcement, a role that s/he may have had but which is difficult to combine with the new role as peoples' representative.

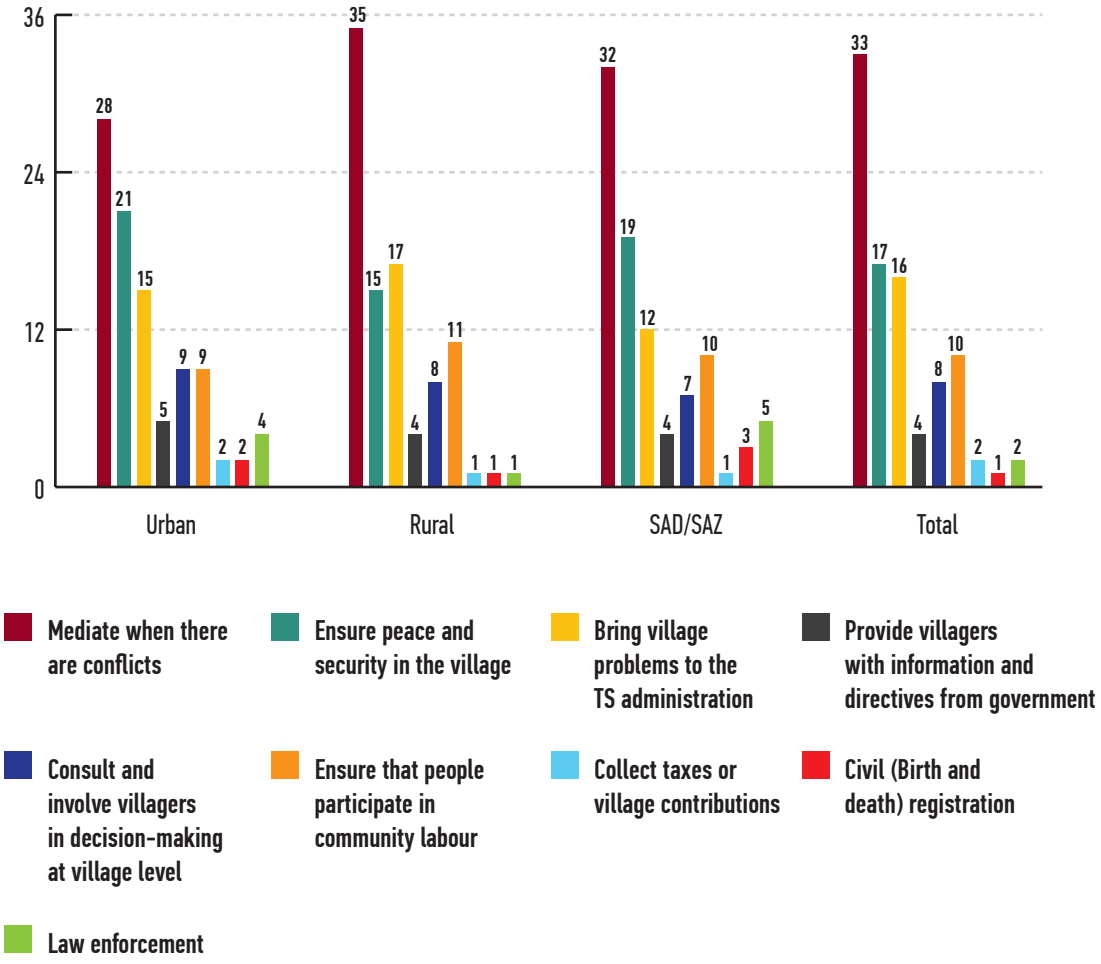


Figure 28: Perceived roles for the W/VTA

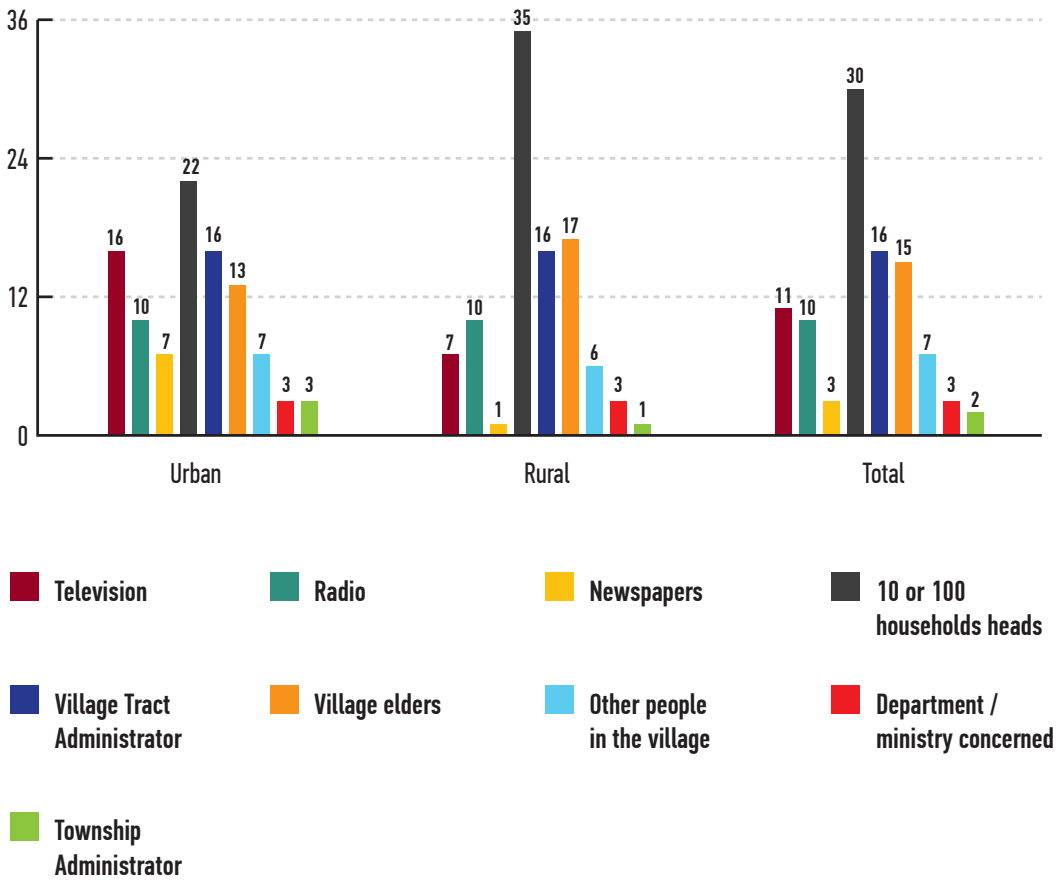
Overall, the responses seem to suggest that the W/VTAs are more and more seen into their new roles as the interface between the population and the lowest level of government administration (as found at the township level), even though the role as 'mediator' -a traditional village elder role - remains important, and which can easily be combined with the peoples' representation role (see Figure 28). In fact, being an elected leader provides the 'mediator' with authority bestowed on him/her by the population.

Responsiveness: Around one in five respondents (22% in rural areas against 18% in the wards) indicated that over the past years, and notably since 2012 when the new W/VTA were elected, they had seen an increased 'responsiveness' on their part, which seems a process that on the one hand needs nurturing and a critical citizenry (asking for responsiveness and information) on the other hand.

4.6 Information sharing

People get information from different sources and through different channels, depending, of course on the nature of the information. With regards to information on new government policies, laws and guidelines, the respondents indicated that their main sources of information are the 10 and 100 household leaders, village elders and the W/VTA (see Figure 29). Few indicated that they get the information from either the township administrator or the concerned department. These responses seem to indicate that indeed the information flows as it is supposed to flow - from the Township to the WA/VTA and from their to the 10 and 100 household heads (and the village elders) and from their to the wider population. This is consistent with the earlier observation that the Township Administrators are not very well known at the ward/tract level as the contact takes place through the intermediaries.

Figure 29: Sources of information for official information (new laws, guidelines, etc.)



Regarding the mass media channels, the TV is a relatively important source of information in the urban areas, while the radio is equally significant in both urban and rural areas. Newspapers are hardly read in the rural areas, and are -in terms of information channel- far less relevant as compared to radio and TV. Overall, the conclusion is that information regarding the government (and service delivery) is passed on by mouth, and for which the W/VTAs are in a crucial position.

This notwithstanding, a huge majority of the respondents both in rural and urban areas is of the opinion that they would like to have more information on what government is doing in their respective areas. Around 20 percent of the respondents are of the view that they are sufficiently informed (see Figure 30 and 31). As much as it is known that people have a tendency to ask for more information even though they may not actually use it, and the fact that government is already making an effort[77], the fact that 80 percent of the respondents ask for more information means that there is a challenge for the government to double up its efforts in regards of organised and strategized information sharing, using on the one hand the existing mouth-to-mouth channel by ensuring that W/VTAs get the adequate information and by using channels of mass communication more frequently.

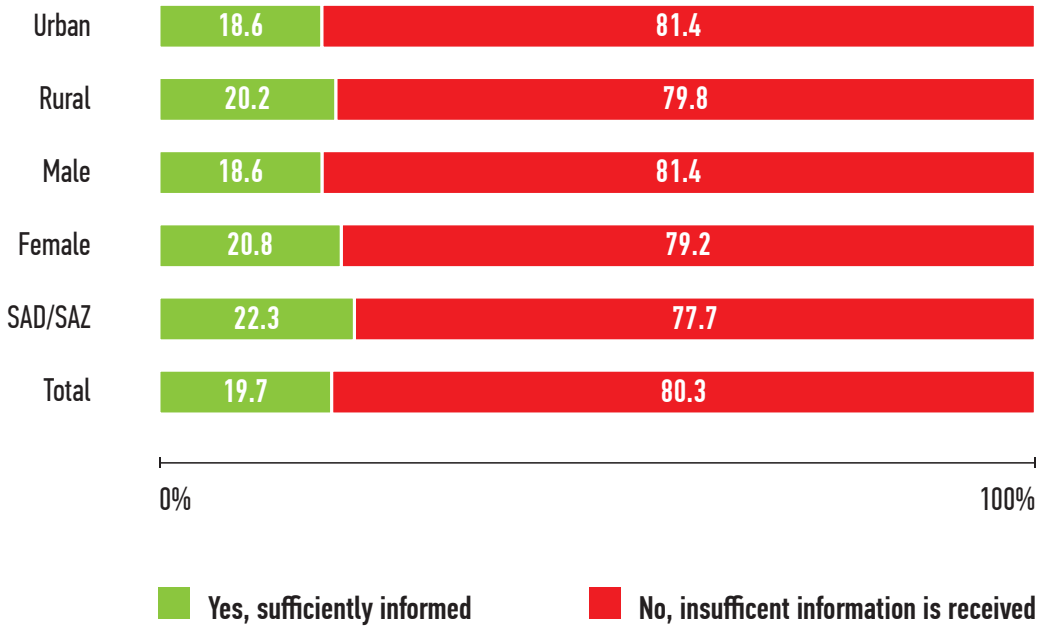
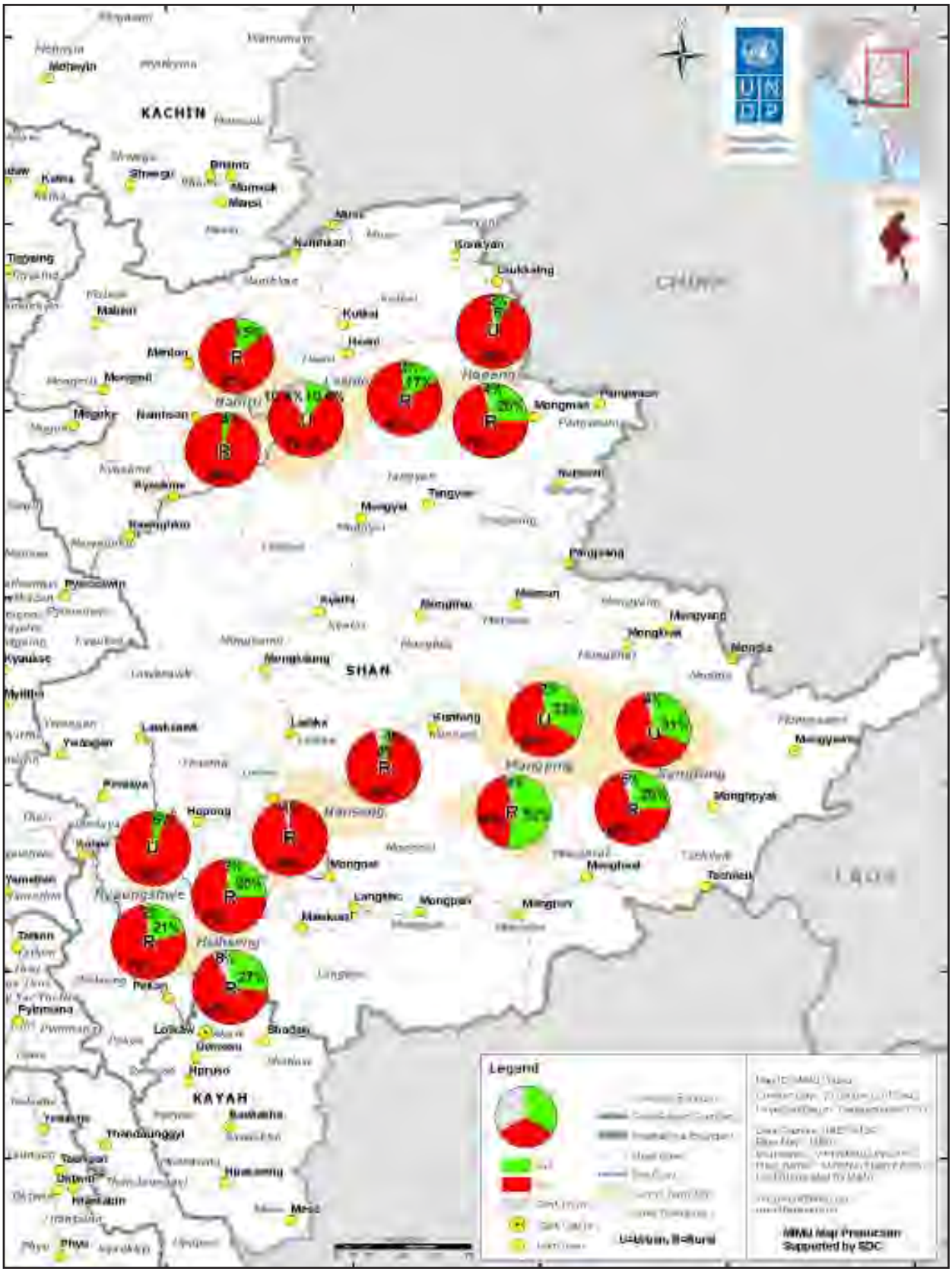


Figure 30: Percentage of the respondent that thinks they are sufficiently

77. See for example the Facebook account for the president's office www.facebook.com/MMPresidentUTheinSein

Figure 31: Percentage of respondents that thinks they are sufficiently informed.



4.7 Major development issues emenating from the Citizen Report Cards

Whilst Shan State is highly diversified, the overall picture that emerges from the CRC-exercise is that citizens are generally highly appreciative of the service delivery improvements that government has made. On the other hand, it also appears that many respondents were careful not to be too critical to the extent that some satisfaction indicators may be slightly inflated. In order for systems of accountability to work as intended (i.e. to make sure that public service delivery has acceptable standards and that government has an incentive to continuously improve), a critical citizenry is required - for which some sort of civic education (on citizens' rights and responsibilities) may be indicated.

For the three sectors studied in more detail, the respondents were clearly most happy with the improvements in the education sector (where some 70% saw improvements), followed by health (where around 50% saw improvements). They saw least improvements in the water supply sector which had at the same time been labelled as the sector that was in their eyes a first priority to be addressed - and which may reflect an imbalance between peoples priorities and actual resource allocation, especially regarding State and Union funds as the township reports showed that a substantial share of CDF and PRF is already used for water projects. Also, it appears that government is already speeding up its effort as for Kengtung township, for example, it was reported that the DRD implemented gravity flow system for an amount of Kyat 0.3 million (fairly small) for improvement of water supply in 2 villages; but that Kyat 128.5 million had been allocated for rural gravity schemes in 5 villages for 2014-15; while for 2015/16, the budget is Kyat 448 million for 17 gravity flow systems.

At the same time it should be noted that some 60% of the respondents (hence an estimated 60% of the population) use a private shallow or deep well for their water supply, which are likely the relatively better off as the poorer segment rely more on open water sources. With the larger part of the 'market' being privately supplied, it is an open question what government sees as its role for water supply. An institutional complication is that water supply is a partial mandate of two different departments, the Municipal Affairs Department

for water supply in the wards (and which as such falls under the State Government budget on the basis of locally collected resources) while the Union Department of Rural Development is responsible for water supply in the village tracts, on the basis of the Union budget. Also given the technical nature of water supply (where water for the urban areas is sometimes 'sourced' from outside that same area, it seems appropriate to have the mandate for public water supply localised at one point, whilst -given the priorities expressed in the survey- It may need to be given a higher profile.

The CRC data confirmed that in terms of service delivery there is little difference between the SAA and other townships. And as such, in all townships citizens like to receive more information from government on what is being done in their areas to improve services.

5. Conclusions

5.1 Quality of Service Delivery

Without a doubt, the people of Shan State have over the last few years seen improvements in the services provided by government, and are happily acknowledging the same. Given that over 65 percent of the -substantial- State budget (and hence exclusive of Union funds) is used for transport infrastructure, under both the office of the Chief Minister and the Minister of Communication, it comes as no surprise that a large part of the population cited improvements in road infrastructure as most visible, although almost as many people mentioned education as the sector where they had seen improvements, at a distance followed by water.[78] These findings spoke for themselves, government investments show visible results, although there still are locations where improvements have not yet reached - or where they are not acknowledged.

A hypothesis behind the local governance mapping was, that there is a relation between the quality of service delivery and the way 'governance' is operationalized, which is, in short, the way decisions regarding the use if public funds are made, the way oversight on execution of those decisions is exercised and the way public officials -both those appointed and those elected- provide accountability for their actions. In this concluding chapter we will briefly review the changes that have occurred over the past years.

5.2 Governance attributes in relation to Service Delivery

5.2.1 Participation in Decision-making

In the context of both the new Constitution and the government's policy for a people centred approach to service delivery, a number of new governance features have emerged that allow indirect or representative democracy. Although there are examples of rich and well-developed countries that regularly apply direct democracy (e.g. Switzerland)[79], most democratic countries predominantly use the model of representative democracy.

Examples of representative democracy that are legally entrenched, and that have been discussed in this report, are the elections of Union and State Hluttaw representatives, but also the -indirect- election of the head of the leading body for the SAAs.[80] Other examples of representative participation, even though not rooted in in the constitution or any law[81], are the TDSC and the TMAC members.[82] Finally, in their present set up as locally indirectly elected representatives, at the township level the W/VTAS also play a role in a model of emerging representative democracy.

Apart from the legal aspect, there are significant similarities as well as differences between the various types of representative democracy, as shown in Table 15 whereby we will in the context of the *local* governance mapping focus on the State Government, the leading body and the two newly established committees at township level.

78. See Fig 14 above: Overall, 20,9% of the CRC respondents quoted road infrastructure as he sector where they had seen (most) improvements; 20,7% mentioned education and 13.4% water. However, the single most mentioned category -with 25.3%- was the one 'government did not make any improvements'.
79. In fact, Switzerland applies both systems of direct and indirect democracy at the same time. Next to decisions in elected parliaments, people are usually asked a number of times a year to express themselves, in the form of a referendum, on policy issues, meaning that certain policy decisions are made on the basis of the referendum result and not, on their behalf, by peoples representatives in parliament. Also, it is not unusual, to have local decisions taken (or at least formally endorsed) in huge meetings where thousands of people may attend.
80. Apart from it being indirect, the election of the head of a leading body shows resemblances with the election of an executive mayor or -as in Kenya- the election of an executive County Governor; The difference being that in Myanmar, the head of the leading body (as all cabinet members) remain part of parliament, which makes it a little unclear whether they are 'oversight legislators' or 'implementing executives with political responsibility'.
81. And hence more easily subject to change or even withdrawal
82. We do not mention the TMC in this category as the TMC is largely a sub-set of the heads of departments management meeting, which is not meant to be 'representative' but rather 'inclusive' for the departments that are required for its purpose, be it coordination of security issues (for which a smaller subset may suffice) or coordination of development issues (for which a larger subset may be indicated).

Some of the bodies of peoples' representatives, such as the TDSC, are consultative. Also the meeting of W/VTAs at township level is purely consultative. Other bodies, like, of course the State Hluttaw but also the TMAC have decision-making powers.

In a representative system of democracy, the way participation is organized is through elections (of those representatives), and which are therefore of crucial importance in the entire system. As illustrated in Chapter 3, especially the election of the TDSC and TMAC is in need of clearer guidelines so that those elected are genuine representatives, which is required to provide those committees with the necessary legitimacy.

5.2.2 Budget Provisions

The power to make decisions is often linked to the existence of a budget envelop; Even in cases where the decision-making powers are there, but there is no budget (as is in a way the case for the Leading bodies), the decision-making powers are seriously constrained. As such, the members of the State Parliament and the TMAC can make actual decisions for local spending based on locally expressed priorities (and as a consequence of that, also be held accountable for it and, as the flip side of that, also deserve the credits if things work out well).[83]

5.2.3 Oversight

The power of oversight is related to the existence of a budget: If the executive has nothing to implement there is little to oversee. As such, for the five cases considered, the oversight mechanisms are best developed for the State Hluttaw and the TMAC where there is on the one hand an elected body that can speak with authority and an executive that, in principle, ought to operate within the confines as set out by the elected body (that represents the population).

5.2.4 Accountability and information sharing

Good governance requires transparency and information-sharing, which are pre-conditions for accountability. Objective accountability needs facts and figures presented in a way that is relevant and that can be understood by the target audience. Government, including Shan State government is clearly aiming for increased transparency as for this study evidenced by the discussions around the State Budget 2014/15 presented in Chapter 2. At the same time, the citizens asked for more information, which may require for both Union and State government to design some specific information sharing strategies, using both the traditional and still effective way of mouth to mouth (using the channel of the W/VTAs or 'runners') as intermediate and by mass communication notably radio.

5.3 Areas for further discussion and attention

This report, and the same was found in most of the other State of Local Governance reports revaled a few issues that warrant further discussion at the Union as well as at the State/ Region level. Two of such issues are briefly highlighted below.

83. But that, ultimately, remains in the hands of the voters during the next elections, when office bearers should not only be judged on what the promise but for those already in an elected office, also on the basis of what they have actually done and achieved in the past.

Table 15: Governance attributes for representative bodies

	Decision-making powers	Budget	Oversight	Accountability
State Hluttaw	•Officially, the hluttaw approves the State budget, but until now the actual process is more accurately described as 'the budget as proposed by cabinet is endorsed by the State parliament' - the hluttaw is still growing in its role as (supreme) legislative body.	•The State budget is substantial and growing -(also as likely more state budget departments are to be added over time); hence the Hluttaw has funds to allocate for which decisions are needed.	•The State Hluttaw members increasingly uses its right to ask the State government for clarification - or to raise issues they think could/ should be done differently. •The State budget is still presented by Union Ministry. In this report an effort was made to present the figures by State Ministry to facilitate better accountability and oversight.	•The State Government is accountable to the Parliament and the elected MPs are accountable to their electorate. Whereas the fist line of accountability is emerging (see under oversight), the second line is still very weak. Most people do not even know their MP (see Chapter 4).
SAA Leading body	•The territory of the leading body does not coincide with an administrative division of government (apart from facts that they are based on a number of townships or districts). Hence, the leading body is not linked up with public service delivery mechanism.	•Substantially, and apart from political decision making, the leading body only has concrete decision making power on special discretional grants (like the Border Affairs grant), which is then -at least for Pa'O SAA- managed by the PNO party, not the leading body as an SAA government.	•There is no legal oversight provision for the leading body - as it is overseeing itself; unless that oversight comes from either Parliament or the Chief Minister (see footnote 3).	•The MPs are accountable to their voters, but the portfolio of activities to hold them account for is a 'mixed bag' - as they are legislators at the state level, and executives at the SAA level, while one of them is also member of the State Government. Meanwhile each is elected in its own constituency hence only part of the electorate can hold the chair of the Leading body to account.
TDSC	•Consultative body	•No budget	•No formal oversight role	•To the people that indirectly elected them, but the link with the electorate in general and the specific interest groups in particular is weak.
TMAC	•Decision making body	•Budget of the DMA, on the basis of locally collected revenues.	•TMAC exercises oversight on the department, which is the executing body.	•Department to TMAC and TMAC members to the population of the wards (which link is still weak) and next elections will show whether TMAC members are judged on their performance (as it ought to be).
W/VTAs	•No formal 'forum' - apart from 'meeting of W/VTAs at TS level. •Consultative only without so far any decision making powers.	•No Budget	•No formal oversight role	•Accountable to the ward/ tract population; Having close linkages to that population. But in the end: Accountable to them for what?

5.3.1 Fostering the new Role of W/VTAs

The first is around strengthening the potential pivotal role of the W/VTAs in the new governance set up at the local level as the intermediaries between the people and the township administration. The important position of the W/VTAs takes in the government set-up is one of the striking findings in all the State of Local Governance reports. Also in Shan, more people knew the name of their W/VTA as compared to people that knew the name of the president. At the same time, the findings show that people have high expectations of the W/VTA which is their access point to government service - hence a cornerstone in the people centred approach.

In order to be able to honour those high expectations it is required that the W/VTAS will be assisted to take on their new roles, for which it is needed that:

- they will primarily be seen as peoples' representatives (and not e.g. by the TAs as subordinate government staff);
- they will be given the space and the confidence to speak up during township level meetings with all HoDs;
- that they will be encouraged into their new roles of intermediaries (next to problem solving) but away from functions that make them by definition impopular.

Once agreed, these new attributes should be included in various staff training programmes and could also warrant special training events, of both W/VTAs and township level staff

5.3.2 A possible Local Governance Model

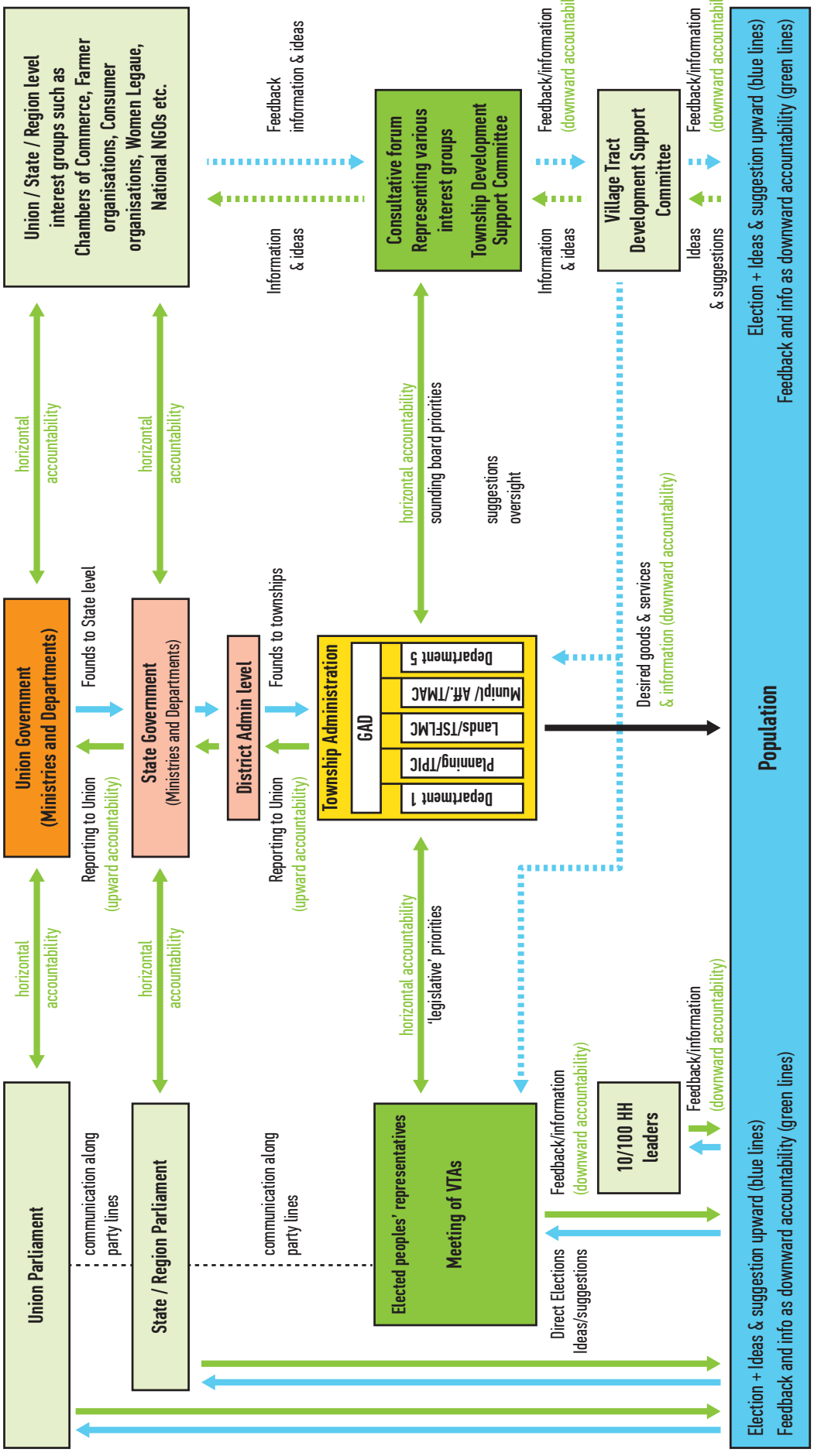
The second issue is around a more streamlined model of local governance at the township level as presently, as illustrated above, different models are emerging.

First of all it is clear that it makes little sense to create three different committees that subsequently mainly meet together, hence their complementarity and specific roles need to be more clearly articulated both to the members and to the public and the same needs to be reflected in the township level meeting schedules.

At the same time, and in relation to the role of the committees, the roles of the W/VTAS may need to be clarified and better articulated. If the above defined positions are agreed, the W/VTAs could be considered as the ward and tract level representatives and form some sort of local level (township) assembly? As shown in Table 15 above, the actual decision-making powers of the W/VTAs are very limited at present.

Secondly, it has been noted that there is virtually no township level planning at the moment. The only more or less genuine township level planning that takes place is around the allocation of the various discretional funds, for which, as compared to the total State budget, per capita are relatively small. The funds available are also further split across the 3 or 4 types of funds described in this report, each having its own planning procedures, and all decisions based on consensus across the various committees but without identifying actual accountability.

Figure 32: A local governance accountability model - with different types of roles for the different committees



Thirdly, and as much as the TMAC/DMA model has the features of an emerging local governance structure, its arrangements are distinctly different from those in place for other departments, whilst officially its area of intervention is restricted to the urban wards. So what are the arrangement for participation and planning for the rural tracts? Should they be contented with 'consultative' TDSCs or will they also have some departments that have their own budget and that will allow genuine and participatory local planning?

Questions like this made the UNDP Local governance team to come up with a tentative framework for local governance (as shown in Fig 32) that provides a space for all the committees, against presumed specific objectives, but that also shows how cross sector planning could become meaningful if different development and service delivery related departments were brought under one integrate township administration.[84]

As such, Figure 32 shows on the left of the picture the elected representatives and on the right side the representation of interest groups, both of which (try to) to influence the township administration reflected in the middle, with several departments under one umbrella. As much as the township administration is accountable (through the elected representatives and the representatives of the interest groups, it is first and foremost -upward- accountable to the State and Union government.

Giving people a greater say in public sector management will unavoidably lead to decentralisation of certain functions and related decision-making powers. Such a re-allocation of tasks across various levels of government need to be matched with an allocation of the necessary budgets, either through vertical reallocation of taxes (e.g. from Union to the State budget - to the townships; as shown in Fig 32) or on the basis of taxes allocation to the same level (as is the case for the Department of Municipal Affairs). Whatever system Myanmar chooses, from an accountability perspective it is important to get the roles and responsibilities clear and specified.

84. Fig. B does not show SAAs as it was prepared for generic use across Myanmar. Readers may try to see where they would put the SAAs and likely run into some difficulty, which is an illustration of the complexity of the governance systems in Stan Sate.

Finally, the question on whether better governance contributes to improved service delivery at the local level, may need to be deferred. It seems too early to answer that question now. For sure, service delivery has improved but is seems to a large extend due to appropriate executive management decisions at the Union level not directly influenced by peoples' representatives, but certainly made with the idea to serve the needs of the people better. On the other hand members of the various committees at township level seem to appreciate their evolving roles - and learning democracy whilst practising. People will need to become more critical towards service delivery but also recognize their own responsibility in a democratic system. Over time people - as consumers of public goods - will get more critical and then the initial steps now taken are necessary to prepare for putting in place a longer term vision for local governance and public service delivery. This reports seeks to provide a contribution to that process.

6. Annexes

Annex 1: Governance Mapping – Objectives and Methodology

Background

Since the adoption of a new Constitution in 2008, Myanmar has embarked on an unprecedented programme of reform, with a view to strengthen the democratisation process and to better respond to the needs and priorities of its people when delivering public services. This has translated into an enhanced emphasis on good governance and basic social services, such as primary health, basic education and water supply. Sub national governments and township administrations are supposed to play an important role in the processes of identifying peoples' needs and priorities and in ensuring peoples' participation in the management of pubic service delivery.

A gradual shift in responsibilities (and corresponding budgets) from the Union level to regional and state/level government is presently taking place, while at same time, the importance of good local governance is being acknowledged. Both the constitution as well as the Framework for Economic and Social Reforms (FESR) 2012-15 are explicit regarding a gradual transfer of political, administrative and fiscal responsibilities to the newly established region and state governments, but do not extend that transfer of responsibilities to local-level institutions. As much as townships, wards and village tracts are recognized as administrative structures under the jurisdiction of Region/State Governments, they do not (yet) constitute a third tier of government. As such, and even though reforms are being implemented that may ultimately move in that directions, at the moment, at this stage in the decentralisation process, *local governments*[85] do not exists at (sub) township level.

In fact, at this level, an incremental strategy has been adopted by the Government of Myanmar through legal reforms and more specifically the establishment of new mechanisms and practices to create space for people to participate in setting local development priorities, and improve the ability of government to be more responsive to the needs of the people and their ability to have a voice in decisions concerning the local level.

Whether the township, the lowest administrative level with presence of most departments that deliver basic services as well as the basic unit of constituencies for political representation at the State/Region and the Union level legislatures, will eventually emerge as the nucleus of local government in the country is as yet unclear. But township administrations across the country are increasingly being tasked to improve basic local service delivery, while playing a new role that aims to place the people of Myanmar at the centre of the development process. Within this context, the UNDP has been working together with the General Administration Department (GAD) of the Ministry of Home Affairs (MoHA) to "map" the dynamics of local governance at the township level and below, with an emphasis on the aspects of government interaction with the people.

85. Local government refers to specific, semi-autonomous institutions or entities, created by national or state constitutions, legislation of a higher level of government or by executive order, that are legally considered as independent body corporates, with the tasks to deliver a range of specified services to a specific geographical/administrative area. Local governance refers to local-level formulation and execution of collective action, with a focus on citizen-citizen and citizen-state interactions, collective decision-making and delivery of local public services. See Anwar Shah (ed.), Local governance in developing countries, Public sector and accountability series, The World Bank, 2006.

Objectives

The Local Governance Mapping seeks to examine local governance and governance issues related to basic local service delivery across Myanmar's States/ Regions, with the view of better understanding the processes, mechanisms and dynamics of governance at the township level and below. It was designed to predominantly make use of qualitative data, related to experiences and perceptions of citizens, government staff and other stakeholders with the following questions in mind:

- To what extent have reforms so far enabled local governance actors and institutions to be more responsive to the needs of people?
- What are prevailing attitudes on access to basic services in the community, and what dynamics underpin the relationship between the state and people with regards to service delivery (i.e. primary healthcare, primary education, drinking water)?
- What new spaces have been created, or are emerging, for the people of Myanmar to participate in community decision-making and have a voice?
- Despite the local governance reforms being applied on a fairly uniform basis across Myanmar's States, what differences are emerging as a result of unique local conditions?

As such, the mapping it is not an assessment but an effort to understand the state of play for local governance to-date, and seeks to highlight best practices that are emerging across the country.

Research tools

In Shan State, as in other Regions and States, a number of different research tools were deployed to understand the existing governance environment at the regional, the township and sub township levels, to shed light on the above research questions, and the perceptions of both people and service providers on three key tenants of local governance: (i) participation; (ii) quality of and access to basic service delivery and (iii) accountability, whereby to limit the scope, a focus was put on three sectors being (a) basic education; (b) primary health and (c) water supply.

In each state a number of townships was selected for more in-depth research, using a combination of the following tools:

- Township background studies: To gain initial understanding, in each selected semi-structured interviews were conducted with key government staff and CSO representatives. These interviews focused on the manner in which governance actors in different townships had interpreted and implemented the recent reforms related to good governance at the local level. For Shan State the background studies were conducted in Phases in the August/September and the December/January periods
- Citizen Report Cards (CRC): In each of the (for Shan State 8) selected township, 2 wards and/or village tracts were selected for a perceptions survey ('citizen score card' - or questionnaire; see annex 2) that was administered to 96 randomly selected citizens (hence for Shan State 768 people in total). The questionnaire focused on the core principles of local governance, and the access to, use of and satisfaction with regards to public

services, notably for the three selected sectors. The CRC interviews were conducted in the month of December 2014.

- Focus group discussion with service providers: In the same period, and in addition to CRC for service users (the demand side), also the supply side, the service providers in the selected wards/tracts (including school principals, teachers, healthcare facility managers, healthcare staff and the wards/tract administrators) were, group by group, interviewed. The focus of the questions was on the service delivery process and the interaction of the providers with citizens using the services.

- Community Dialogues: For purposes of triangulation, similar issues were discussed in each selected ward/tract in a Community Dialogue (CD), with different community groups (including women, youth and elders) in attendance alongside service providers and the ward / tract administrator, nowadays the elected representative of the ward/ village tract. The objective of this exercise was to collectively identify the issues of good governance emerging in relation to service delivery and local administration, and to agree on improvements that could be implemented at the community level. These discussions were often seen as a first useful step in a participatory planning process and as compared to the other tools (where the information was flowing 'to the researchers', the community dialogues, were seen by the communities as useful to them - and these activities would merit (or rather call for and deserve) follow up action.

- Interviews with regional actors: In parallel with the above, during the months of December 2014 to early February 2015, open interviews (discussions) were held with government officials at the State level, with an objective to understand both the existing systems and the relation between the region government and the townships; as well as their perceptions and experiences regarding the functioning of administration at the township level, and to reflect on their own role in providing support to lower level government institutions. During a workshop on Nay Pyi Taw on 22nd of January 2015, preliminary results were presented to some key official of the State, Region and the Union government prior to publication of the 1st draft.

Selected townships

The number of townships selected for ore in-depth study varied according to the size and population of each state or region. For Shan State, and in consultation with the State Government, a total of eight townships were selected, which is higher then in any other Region or State in acknowledgement of the diversity in Shan State. It was also considered necessary to have a few townships from within the SAAs represented in the sample.

Upon discussion, the following eight townships were selected using the arguments as equally shown in the Table below:

Townships[86]	Characteristics
1. Namtu	Northern Shan, Small township, diverse population groups and religions – Shan, Bamar, Palaung, Lisu), rural economy, more unemployed, medium accessibility)
2. Lashio	Northern Shan / Relatively big town and city of northern Shan, diverse population groups – (Shan, Bamar, Kokang, Palung, Lawang), diverse economic activities, relatively good accessibility, good security
3. Hopang	Wa Self-administered Division (lack behind for development, good security, border town, one of two townships accessible in Wa SAD)
4. Nyaung Shwe	Southern Shan (Medium town, better economy, tourist site, better accessibility, better security, diverse population groups)
5. Nansang	Southern Shan (Small town, diverse population groups – Shan, Pao, Bamar, medium security and suggested to inform other groups, medium accessibility)
6. Hsihseng	PaO Self-administered Zone (medium town, medium economy development, diverse population, good security, medium accessibility)
7. Monping	Eastern Shan / Small town, diverse population groups – Shan, Larhu, Ahkar, Palaung, rural economy, relatively medium accessibility)
8. Kengtung	Eastern Shan /Big town, and city in eastern Shan, diverse population groups – Shan, Ahkar, Larhu, Lisu), better economic development, good security)

Table 1.1: Characteristics selected townships, Local Governance Mapping in Shan State

The table below provides a summary of the tools, the number of participants and the actual outcome, which all served as input to this report.

Mapping level	Activity	Participants	Geographical scope	Outputs
Community	Citizen Report Card (CRC)	768 respondents in total (96 in each selected township - divided over 2 wards/tracts)	In 3 of the 8 townships only village tracts were selected; in the other 5 one tract and one ward resulting in a total of 5 urban wards and 11 village tracts	Dataset and reporting on key findings
	Focus group discussion with Service Providers	- Village Tract Administrators - primary school principals - primary school teachers - heads of healthcare facilities - healthcare staff	5 wards / 11 village tracts in 8 townships	Summary Report on key-findings
	Community Dialogues (CD)	- supply side service providers - demand side service users	3 wards / 3 village tracts in 3 townships	Data from scoring exercise and summary for each village tract / ward
Township	Interviews and secondary data analysis	Government staff from relevant departments	8 townships	Township Background study reports
	Focus group discussions	Committee members and Civil society representatives	8 townships	Qualitative data to inform integrated analysis
State	Discussions and interviews	Cabinet member, Speaker of State Hluttaw, MP, GAD, Government staff from relevant departments	Taunggyi	Qualitative data to inform integrated analysis

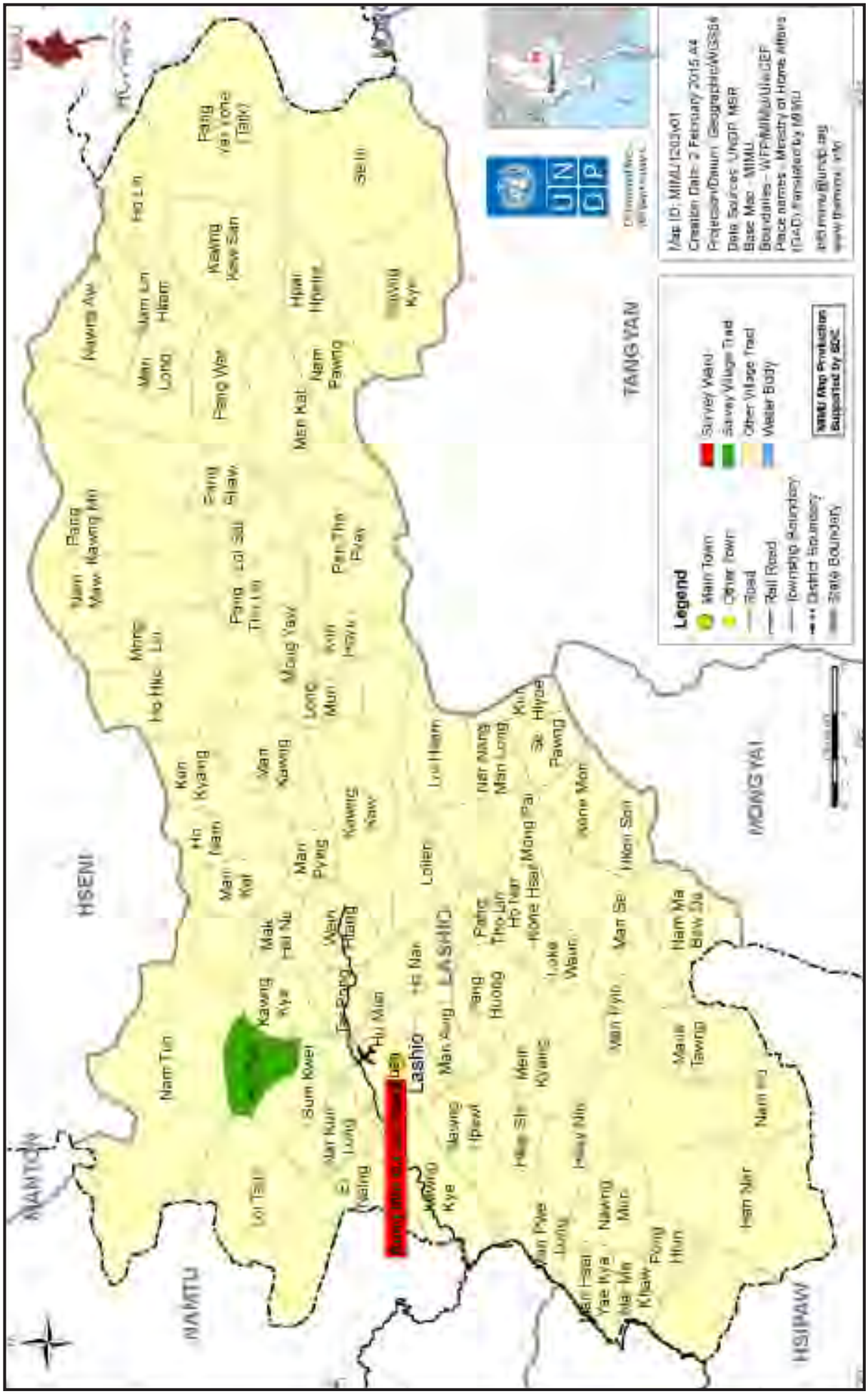
Table 1.2: Local Government Mapping participants, coverage and outputs for Shan State

86. Townships presented in the order from North to South and West to East (top to bottom and left to right)

Annex 2: Township maps – 8 selected townships

Distribution of CRC Survey Village Tract/ Ward

Namtu Township

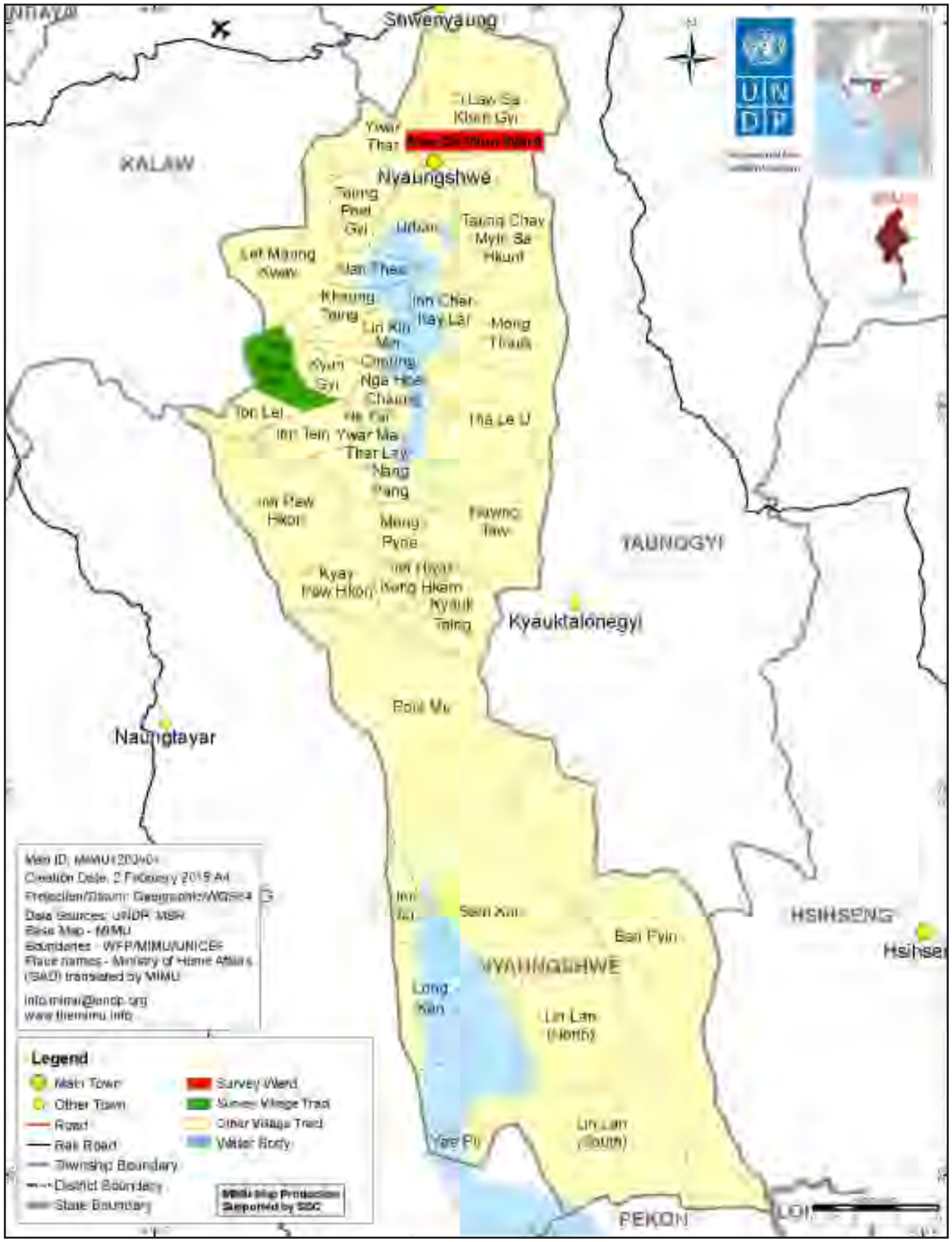


Distribution of CRC Survey Village Tract/ Ward

Lashio Township

Distribution of CRC Survey Village Tract/ Ward

Hopang Township



Distribution of CRC Survey Village Tract/ Ward

Nyaungshwe Township

Distribution of CRC Survey Village Tract/ Ward

Hsihseng Township

Distribution of CRC Survey Village Tract/ Ward

Nanasang Township

Distribution of CRC Survey Village Tract/ Ward

Mongping Township

Distribution of CRC Survey Village Tract/ Ward

Kentung Township

Annex 3: SCHEDULE 3 of the CONSTITUTION

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SCHEDULE THREE

List of Legislation of the Leading Body of Self-Administered Division or Self-Administer Area
(Refer to Section 196)

1. Urban and Rural Projects

2. Construction and Maintenance of Roads and Bridges

3. Public Health

4. Development Affairs

5. Prevention of Fire Hazard

6. Maintenance of Pasture

7. Conservation and Prevention of Forest

8. Preservation of Natural Enviroment in Accord with Law Promulgated by the Union

9. Water and Electricity Matters in Towns and Villages

10. Market Matters of Towns and Villages

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