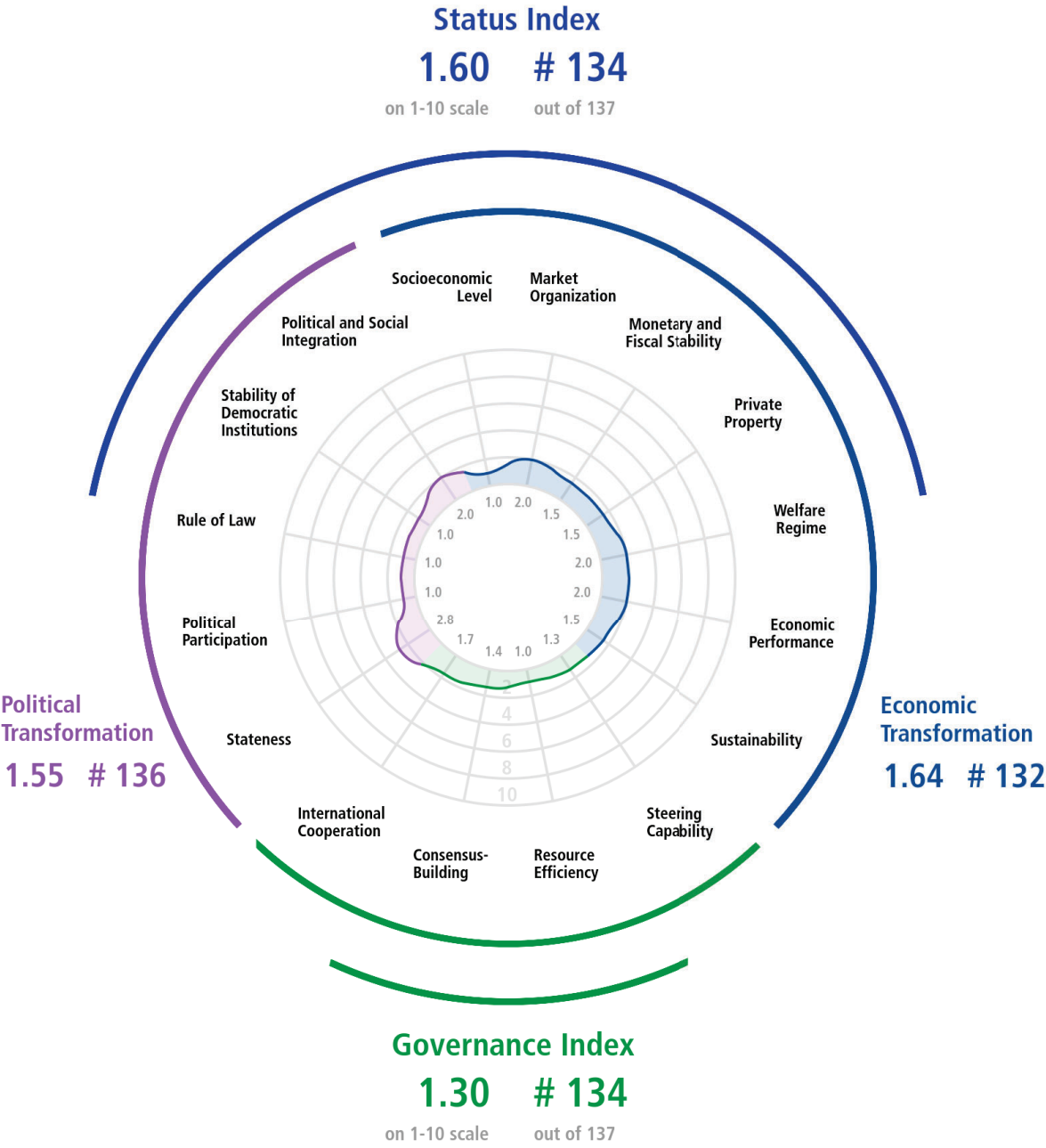


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Myanmar



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Key Indicators

Population	M	54.5	HDI	0.609	GDP p.c., PPP \$	5997
Pop. growth ¹	% p.a.	0.7	HDI rank of 193	150	Gini Index	30.7
Life expectancy	years	66.9	UN Education Index	0.532	Poverty ³	% 19.6
Urban population	%	32.5	Gender inequality ²	0.478	Aid per capita \$	21.1

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

Following its 2021 coup, the Myanmar military junta, which calls itself the State Administration Council (SAC), violently repressed dissent, ultimately leading to armed resistance and full-fledged civil war throughout the country. During the review period, Myanmar's civil war became increasingly complex, with ethnic and democratic armed forces capturing strategic territories and inflicting serious territorial losses on the military. On October 27, 2023, the Three Brotherhood Alliance, which comprises the Arakan Army (AA), the Myanmar National Democratic Alliance Army (MNDAA) and the Ta'ang National Liberation Army (TNLA), started a military offensive in close collaboration with People's Defense Forces (PDFs). The offensive – which continued and expanded throughout 2024 – led to the capture of strategic territories in northern Shan State (near the Myanmar-China border), Arakan State and Chin State by opposition forces. For the first time in history, the military lost control of regional command headquarters, including its Northeastern Command in northern Shan State (in August 2024) and its Western Command in Rakhine State (in December 2024). The military junta's monopoly over the means of violence is now contested in over two-thirds of the country's territory. These developments have fueled growing frustration within the military. Internal criticism of Min Aung Hlaing has grown louder, and the number of desertions has increased. To maintain itself in power, the junta activated a conscription law in February 2024, mandating military service for both men and women. This led to widespread fear, a significant exodus of young people and growing human rights concerns (including forced conscription of migrants and members of the Rohingya minority). Amid ongoing civil war and political instability, the military extended the state of emergency multiple times, effectively postponing the (sham) elections it has been promising since its 2021 coup. The escalation of the civil war has also worsened the human rights crisis. The Myanmar military has reportedly engaged in unlawful killings, arbitrary detentions, war crimes and crimes against humanity. Democratic rights are denied, and the number of political prisoners remains high.

The National Unity Government (NUG), established in April 2021 by elected lawmakers and diverse ethnic groups, operates both underground in Myanmar and in exile, and has increased its efforts to obtain international recognition. As of January 2025, the NUG claimed to have full control of 95 of the country's 330 townships, while the SAC controlled more than 107 townships and the rest were contested. However, these claims were hard to verify. Sources within the resistance movement admit that while they have often managed to contest the SAC's control militarily, consolidating territorial control and establishing alternative administrative structures on their own has often been difficult because of the SAC's superior airpower. The military has carried out massive air strikes and shelling against civilians in territories under presumed NUG influence. The NUG, diverse ethnic armed organizations (EAOs) and other ethnic groups are working to implement a "Federal Democracy Charter," developed in 2022. However, as many known opposition figures are in exile (or imprisoned) and the ability to act freely within the country is highly constrained, "real" implementation remains an uphill struggle. The NUG and ethnic groups continue to search for consensus regarding the future of the Myanmar state.

Ongoing fighting has resulted in large-scale civilian casualties and displacement. More than 6,000 civilians have been killed, and more than 3.3 million people have been displaced, most of them inside the country. With more than half of the country's townships involved in active conflict, Myanmar's economy is facing a severe crisis. Critical supply chains have been disrupted, border trade has been crippled and domestic demand has been severely impacted. The economic downturn has plunged more than half of the population into poverty. High inflation rates in 2024 led to increased prices for essentials such as food and medicine, severely impacting households. Economic mismanagement by the SAC, including printing money to finance military operations and government spending, worsened inflationary pressures. The junta's interference in the financial system (for example, by having the central bank finance the country's budget deficit) has undermined investor confidence, further inflating prices.

History and Characteristics of Transformation

Since gaining independence from the United Kingdom in 1948, Burma/Myanmar has largely been under military rule. In 1962, General Ne Win staged a coup, claiming military control was necessary to maintain national unity amid ethnic uprisings. This move escalated armed conflict between the military and various ethnic armed organizations (EAOs).

Ne Win introduced the "Burmese Way to Socialism," which isolated Myanmar internationally and led to the nationalization of private enterprises. By the 1980s, the nation had become one of the world's least developed countries. In 1988, mounting economic turmoil and political grievances sparked a nationwide nonviolent uprising. The military intervened, imposing martial law and nullifying the 1974 constitution. On September 18, 1988, a crackdown resulted in about 3,000 casualties, and a new junta assumed power. In 1990, the junta held free elections, and the National League for Democracy (NLD), led by Aung San Suu Kyi, won by a wide margin. Despite the clear outcome, the military refused to relinquish control.

Following reshuffles within the military, the next military junta – the State Law and Order Restoration Council (SLORC), known as the State Peace and Development Council (SPDC) from 1995 onward – continued to rule the country with an iron grip for more than two decades. After establishing mechanisms to ensure enduring military influence, it began a gradual process of political liberalization. In 2008, a military-appointed National Convention finalized a new constitution that solidified the military's role in politics. The constitution reserved 25% of parliamentary seats for military representatives, granting them veto power over constitutional changes. It also required that active military officers lead the ministries of Interior, Defense and Border Affairs. In November 2010, controlled elections saw the military's proxy, the Union Solidarity and Development Party (USDP), secure victory. Many former junta generals officially retired and joined the USDP. The NLD boycotted the elections, arguing that the election laws were unfair. After the parliament convened in February 2011, Prime Minister Thein Sein, a former junta member, was elected as national president.

He started a period of liberalization that lasted a decade and led to significant political, socioeconomic and administrative reforms. Political liberalization included the release of more than 1,000 political prisoners, including Aung San Suu Kyi, who had been under house arrest for 16 years. Prepublication censorship was abolished and associational freedom broadened, facilitating the formation of trade unions and civil society organizations (CSOs). In relatively free elections in 2015, the NLD secured an absolute majority in both parliamentary chambers. As the 2008 constitution barred Aung San Suu Kyi from the presidency, the comparable position of State Counselor was established for her in 2016. Liberalization also led to an opening to the West and the removal of most sanctions by the United States, the European Union and other countries belonging to the Organization for Economic Cooperation and Development (OECD). The reform decade, the years from 2011 to 2021, also saw new peace initiatives between the government (both the Thein Sein and the Aung San Suu Kyi governments) and the country's EAOs. However, these ultimately stalled, owing largely to the military's refusal to accept comprehensive federal reforms. The military's brutal expulsion of the Rohingya population in 2016 and 2017, deemed by the United Nations to have been committed with genocidal intent, revealed the NLD's inability and unwillingness to oppose the military's mistreatment of ethnic minorities. This resulted in Aung San Suu Kyi, once a human rights advocate, losing international credibility. In the 2020 elections, the NLD secured another resounding victory, while parties aligned with the military suffered a significant defeat. Although international election observers considered the elections to be mostly free and fair, the military contested the results, accusing the NLD-led government of fraud. Shortly before the new parliament could convene, General Min Aung Hlaing staged a coup, deposing the NLD government and assuming power through the State Administration Council (SAC). Elected lawmakers formed the Committee Representing Pyidaungsu Hluttaw (CRPH) and later established a shadow government in exile known as the National Unity Government (NUG). Both the SAC and the NUG claim to be Myanmar's legitimate government. While the NUG enjoys the support of many political stakeholders in the United States and Europe and has gained recognition from the European Parliament, international recognition remains elusive.

The return to military rule has reversed much of the political, economic and social progress Myanmar made during the reform period. It triggered mass protests, which the military brutally suppressed, killing more than 3,000 people. Many students fled to the jungle to join EAOs or to

form their own People's Defense Forces (PDFs). Many PDF groups have received support and training from EAOs such as the Karen National Union (KNU) and the Kachin Independence Army (KIA), which have been fighting the military for decades. Accordingly, while civil war had been ongoing in many ethnic minority areas for decades, it has since extended increasingly to the Burman heartland, which is dominated by the Bamar ethnic majority. The NUG, which has declared a "people's war" against the military and collaborates with EAOs opposing the coup, maintains that many PDFs now operate under its command. Armed conflicts, once localized to ethnic regions, have spread across central Myanmar, further destabilizing an already fragile state.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

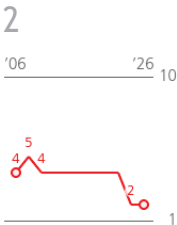
1 | Stateness

The territorial fragmentation of the state continues. While about one-third of the country’s territory was controlled by more than 20 major – and several dozen smaller – ethnic armed organizations (EAOs) even before the coup, the number and military strength of groups fighting the junta have increased exponentially since then. Expanding beyond the areas controlled by the EAOs and the People’s Defense Forces (PDFs), some of which are aligned with the National Unity Government (NUG), these groups have contested the junta’s control in large parts of central Myanmar, including through guerrilla warfare and attacks in urban areas.

During the reporting period, the military suffered substantial strategic losses. According to estimates by opposition groups and researchers, it controlled only about 30% of the country’s territory by the close of the review period, mainly the Bamar heartland and the major cities of Naypyidaw, Mandalay and Yangon. Due to an October 2023 offensive by the Three Brotherhood Alliance, comprising the Arakan Army (AA), the Myanmar National Democratic Alliance Army (MNDAA) and the Ta’ang National Liberation Army (TNLA), the military lost all of its bases in Shan State and Rakhine State. For the first time in the country’s history, the military lost a regional command center, the Northeastern Command in Lashio. PDFs also made progress in the Sagaing Region, capturing Kawlin and Pinlebu. However, while EAOs and PDFs have challenged the military’s control and prevented it from maintaining a monopoly on violence in about two-thirds of the country, they are often unable to establish territorial control in those areas. This is mainly because the junta retains air supremacy and regularly attacks EAO and PDF areas with heavy shelling, causing heavy civilian casualties. Hence, while EAOs and PDFs can contest the military’s monopoly on the use of violence in many areas, they have often been unable to establish firm control themselves.

Question
Score

Monopoly on the
use of force



Myanmar's state identity has been contested ever since the country's independence from the United Kingdom. The official national identity is fundamentally linked to that of the Bamar ethnic majority. Revolving around Buddhism, the Bamar language and nationalism, the official state identity has been contested by the country's various ethnolinguistic minority groups from the beginning. Minority groups such as the Arakan, Chin, Kachin, Karen, Kayin, Mon and Shan have fought for official recognition of their history, language and religion. Several minority groups adhere to Christian or animist faiths. The regime's official list of acknowledged ethnic groups – 135 in all – was drawn up by colonial administrators more than 100 years ago. Under military rule, this list was reinstated as an official framework for citizenship. The Rohingya, an ethnolinguistic minority group that predominantly adheres to the Muslim faith, are denied citizenship. While the military junta, which since the 2021 coup has called itself the State Administration Council (SAC), continues to define statehood along ethnoreligious lines, the National Unity Government (NUG) has tried to form a broader ethnic alliance and has promised to build a multiethnic and multireligious state in which the identities of ethnic groups are equally accepted.

Although Buddhism is not the state religion, it holds a privileged position under the 2008 constitution. Buddhism has long been used to legitimize the military's political power. Because the population is deeply religious, Buddhism is an important moral force.

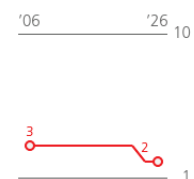
Junta leaders use Buddhism to legitimize their rule. In state media, junta chief Min Aung Hlaing is portrayed as the protector of Theravada Buddhism. Generals build pagodas and present offerings to Buddhist monks. General Min Aung Hlaing also claims to have built the world's largest seated Buddha statue. This marble Buddha was consecrated in late 2023 in the capital, Naypyidaw.

Within the opposition, both these ultra-religious narratives and the idea of a privileged position for Buddhism are contested. The NUG officially advocates for a state that respects religious diversity and guarantees freedom of worship, while minimizing any official promotion or privileging of a particular religion.

The 2021 coup and the subsequent Civil Disobedience Movement (CDM) significantly weakened state administration. The CDM, which began days after the coup, included large numbers of civil servants. The government pressured civil servants to return to work, but resistance has often persisted. The NUG, which formed a parallel administration opposing the military regime and operates both underground in Myanmar and in exile, continues to support and honor the CDM and promises to integrate its members into future governance structures. The CDM reportedly runs some education and health services in areas under opposition control, or where the reach of the military regime is limited. Parallel police and justice institutions are also emerging in some areas of the Burman heartland. At the same time, the capacity of the NUG to provide alternative administrative structures in the Burman heartland remains unclear, but is clearly often weak. The acting president of the NUG has called

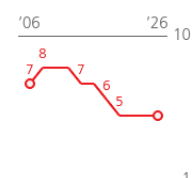
State identity

2



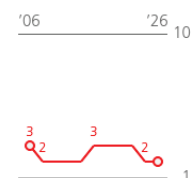
No interference of religious dogmas

5



Basic administration

2



on exiled NUG politicians to return to Myanmar in order to strengthen administrative capacity. Overall, the territory is home to a multiplicity of governance arenas and arrangements.

Even before the coup, access to basic administrative infrastructure was limited. Only 83.7% of the population had access to a basic water source, and even fewer had access to basic sanitation (73.6%) and electricity (70.4%). The country's archaic administration was fully present only in the heartland. Official tax authorities have long been unable to reach many villages, and the administration has long lacked basic infrastructure, technical equipment and communication systems. Only 80% of villages have access to proper water and sanitation systems and other basic services.

In areas with significant ethnic minority populations, large territories have been governed de facto by EAOs for several decades. In many ethnic states, the provision of basic social services has even been weaker than in the heartland. At the same time, EAOs have often provided alternative administrative structures and services.

Between 2010 and 2020, successive reform governments gradually strengthened the weak infrastructure, but the coup and civil resistance have brought the state administration virtually to the point of collapse.

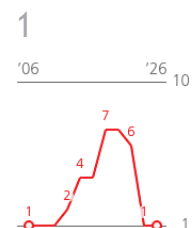
2 | Political Participation

Since 2023, Senior General Min Aung Hlaing has been looking for ways to hold elections to create a veneer of legitimacy for his military regime. The regime began laying the groundwork for the planned election by passing a new party registration law and updating the voter list. The new party registration law favored parties related to the military and imposed stringent requirements. About 40 parties, including the National League of Democracy (NLD), the country's main democratic party and the entity which formed the civilian government during the period from 2015 to 2020, did not re-register with the Election Commission under the new law, and were subsequently dissolved by the regime. In October 2024, the SAC initiated a nationwide population and housing census to prepare for elections planned for 2025. However, the census faced significant challenges due to ongoing conflict and instability. As a result, it was completed in less than half of the country's townships, leading to an incomplete and potentially unrepresentative dataset.

The planned elections are supported by China and some neighboring countries but are completely rejected by the NUG and most other groups in the country.

With its 2021 coup, the military overturned the National League for Democracy's (NLD) landslide victory in the November 2020 elections. Without credible evidence, Senior General Min Aung Hlaing claimed that the 2020 results had been fraudulent. Despite some disenfranchisement of ethnic and religious minorities, international election observers concluded that the outcome of the November 2020 elections reflected the true will of the electorate.

Free and fair elections



Shortly after the coup, a group of parliamentarians elected in the polls formed the Committee Representing Pyidaungsu Hluttaw (CRPH). Because of the military's crackdown on opposition figures, most representatives have fled the country or gone into hiding. Some continue their activities from safe locations, often in coordination with the National Unity Government (NUG).

The regime is military. The coup on February 1, 2021, demonstrated the military's veto power and the weakness of civilian authorities and institutions.

Effective power to govern

1

'06 '26 10

The unbroken military rule from 1962 to 2010 systematically weakened the judiciary and compromised the independence of the legal system. The reform period from 2011 to 2020 saw some reforms to the legal profession and legal system, leading the judiciary to develop slightly more independence. Nevertheless, the judiciary ultimately remained weak during this period and was often described as the branch of government most unaffected by the reform process. Corruption remained rampant as well. The return to military rule reversed all previous positive trends.

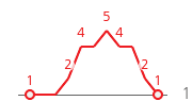


Association / assembly rights

1

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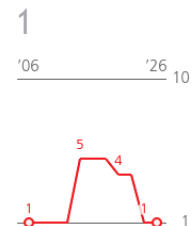
The military replaced many judges linked to the NLD with judges loyal to the military regime. The military has also used the legal system to consolidate control, suppressing fundamental rights and freedoms. The military has also set up special military courts. Sham trials are conducted without due process or the right to a fair trial, resulting in improper convictions and sentences for thousands of people, including State Counselor Aung San Suu Kyi. In a series of politically motivated trials, Suu Kyi was convicted of corruption and sentenced to a total of 33 years in jail. In 2024, her sentence was reduced to 27 years.



In March 2021, the junta issued a martial law order, allowing civilians to be tried in specially established military tribunals for a wide range of offenses committed in areas under martial law. As of January 2025, 61 townships in the country remain under martial law. In these townships, judicial powers are transferred to a regional military commander. Military tribunals are headed by a military judge advocate who has the power to try 23 offenses and impose punishments including the death penalty and indefinite imprisonment. They sometimes hand down sentences in absentia, including death sentences.

The (now largely defunct) 2008 constitution provides for some degree of freedom of expression. However, the 2021 coup shattered media freedom completely. The SAC closed all independent media outlets and reestablished its old censorship regime, which provides for censorship prior to publication. Critical journalists have been targeted under Section 505(a) of the penal code and Article 66(d) of the telecommunication law, under which providing “false information” is punishable by three years in prison. According to Reporters Without Borders, Myanmar is now the second-biggest jailer of journalists in the world after China. In January 2025, 61 journalists were imprisoned.

Freedom of expression

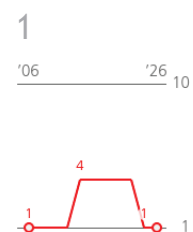


The junta also intensified its internet and social media controls. With its Order No. 246/2023, the junta increased control over the internet by establishing a permanent committee to prevent and prohibit the dissemination of certain online content, including what it deems “fake news,” “pornography” and “political criticism.” In January 2025, the junta enacted a cybersecurity law that significantly extends its control over the internet and the flow of information. The law includes provisions targeting VPNs, which are used to bypass internet censorship. It imposes sanctions on digital service providers that do not comply with regulations to prevent the spread of disinformation and “rumors,” and mandates the retention of user data for up to three years.

3 | Rule of Law

Since the 2021 coup, there has been neither de jure nor de facto separation of powers. All judicial, administrative and legislative powers have been transferred to the SAC, which consists of nine military officers and 10 civilians drawn from military-aligned ethnic groups and parties. At the apex of this body, Senior General Min Aung Hlaing is concentrating all power in his own hands. In June 2021, he was named prime minister of the Caretaker Government. In July 2024, he assumed the position of “acting president.”

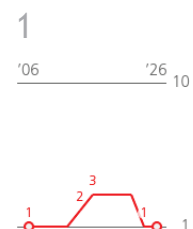
Separation of powers



The NUG’s shadow government seeks to establish a separation of powers as best it can, but it controls little territory. The CRPH regards itself as Myanmar’s only legitimate representative legislative body. It meets regularly to review the NUG’s activity reports. Its committees have begun examining the performance of the ministries.

The unbroken military rule from 1962 to 2010 systematically weakened the judiciary and compromised the independence of the legal system. The reform period from 2011 to 2020 saw some reforms to the legal profession and legal system, leading the judiciary to develop slightly more independence. Nevertheless, the judiciary ultimately remained weak during this period and was often described as the branch of government most unaffected by the reform process. Corruption remained rampant as well. The return to military rule reversed all previous positive trends.

Independent judiciary



The military replaced many judges linked to the NLD with judges loyal to the military regime. The military has also used the legal system to consolidate control, suppressing fundamental rights and freedoms. The military has also set up special military courts. Sham trials are conducted without due process or the right to a fair trial, resulting in improper convictions and sentences for thousands of people, including State Counselor Aung San Suu Kyi. In a series of politically motivated trials, Suu Kyi was convicted of corruption and sentenced to a total of 33 years in jail. In 2024, her sentence was reduced to 27 years.

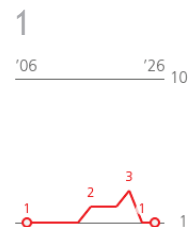
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Before the coup, Myanmar had strengthened its legal and institutional efforts to fight corruption. Several senior bureaucrats and politicians had been investigated for corrupt practices. Military officers, however, were always beyond the reach of anti-corruption investigations. Corruption is endemic in Myanmar, and it seems to have worsened since the 2021 coup. A recent report from the Institute for Strategy and Policy-Myanmar found that bribery and corrupt practices are present on a daily basis in township-level offices, particularly those dealing with immigration, administrative and tax collection functions, as well as in courts and municipal offices. Corruption is particularly widespread in the military, which runs a business network to fund its operations. Since the coup, the incidence of corruption has increased as the weak justice system and the suppression of civil society have created a conducive environment for such practices. Senior officers can amass wealth from areas they control through corruption, exploitation and extraction.

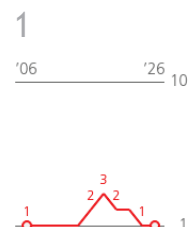
Prosecution of corruption cases is highly selective and closely tied to power struggles among military generals. In November 2023, two former close confidants of Senior General Min Aung Hlaing were convicted of corruption and sent to prison. The rare move appears to have been related to the senior general's dissatisfaction with the economy's performance.

Since the reestablishment of military rule in 2021 and the resurgence of civil war, the civil rights situation in the country has worsened drastically. Gross human rights violations by the military occur on a daily basis, and rights violations by opposition groups are also on the rise. In his briefing in late 2024, the U.N. rapporteur for human rights repeated his assertions that the human rights violations by the military can be classified as crimes against humanity and war crimes. According to data from the Association of Political Prisoners Myanmar, 6,263 people – including democracy activists and civilians – have been killed in military crackdowns, while 28,526 have

Prosecution of office abuse



Civil rights



been arrested. According to senior U.N. officials, the regime uses capital punishment to crush opposition to its rule. For the first time since the 1980s, the junta has executed members of the opposition. In July 2022, one prominent activist and two NLD members were sentenced to death by a military tribunal under the Anti-Terrorism Law. Human rights organizations have said these charges were politically motivated. As of January 2025, there were 168 prisoners on death row. People have also been sentenced in absentia, 44 of them to death. There have been numerous accusations of torture, illegal punishment and barbaric acts committed by security forces.

In February 2024, the military began enforcing its conscription law, enacted to replenish its troops after a large number of defections. After that, it began abducting young people in large numbers: In December 2024, these abductions reached a record high of 170 incidents. According to a Human Rights Review Report, between February and April 2024, more than 1,000 men and boys from the stateless Rohingya community were forcibly conscripted to fight in the army.

The military junta has responded to military defeats and the loss of territory by intensifying aerial assaults and large-scale bombings against civilians, seeking to destroy the population not under its control. Junta troops have been responsible for numerous massacres and the bombing of civilian infrastructure (hospitals, kindergartens). In areas of ethnic conflict in the states of Rakhine, Shan and Kachin, human rights violations committed by EAOs and the Tatmadaw include abductions, illegal detention, forced recruitment into armed groups, recruitment of children into armed groups and extortion. In the countryside, PDF attacks on regime supporters have also led to the killing of security forces. In addition, the use of land mines by PDFs poses a serious threat to civilians. Reports of human rights violations committed by PDFs, including those linked to the NUG, have also surfaced.

4 | Stability of Democratic Institutions

The regime is a full-fledged military regime with no democratic institutions. A group of ousted elected members of parliament formed the Committee Representing Pyidaungsu Hluttaw (CRPH; the Pyidaungsu Hluttaw, or Assembly of the Union, is the country's bicameral legislature). In April 2021, they established the NUG. The National Unity Consultative Council (NUCC) became the key platform for dialogue with EAOs, members of civil society and political parties. The NUCC's priority is to build "a federal union" based on inclusivity, collective leadership and coordination.

Performance of
democratic
institutions

1

'06 '26 10



The SAC, which throughout the review period styled itself as an interim government, is attempting to permanently legitimize military rule by holding elections that were supposed to take place in late 2025. However, they have been postponed several times already. International election experts and observers have argued that genuine elections are impossible under current conditions. Draconian legislation banning opposition parties, the arrest and detention of democracy activists and political leaders, and severe restrictions on the media make free and fair elections impossible. Many political parties, CSOs and PDFs are fighting for a return to democracy – not as practiced before the coup but with new rules under a democratic and federal constitution and with a military that is out of politics.

5 | Political and Social Integration

Before the coup, the party system consisted mainly of the NLD, the military-aligned USDP and a number of ethnically based political parties. Although some political parties were allowed to continue to exist after the coup, the political environment is not conducive to their activity. Hundreds of NLD officials have been jailed since the coup, and some have been tortured to death in military interrogation centers. The military has demolished NLD party offices.

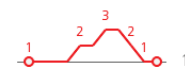
In its effort to hold elections, the junta issued a new party registration law in 2023 (along with amendments to this law in January 2024). Fifty political parties have registered, all of which are allied with the military (including the USDP). Thirty-five of the 50 registered parties competed in the 2020 elections and together received 27.4% of the 2020 vote. The Union Election Commission (UEC) announced that 40 existing political parties did not apply for registration, meaning that the UEC considers them to be automatically dissolved. The largest opposition parties, such as the NLD and the Shan National League for Democracy (SNLD), which received more than 70% of the vote in the 2020 elections, decided not to register and were subsequently dissolved by the regime. Given this imbalance in representation and the shallow roots the currently registered parties have in society, it is impossible to speak of a party system that articulates and aggregates social interests.

Interest representation in post-coup Myanmar is highly limited and volatile. The junta has placed severe limitations on the activities of interest groups and CSOs. The enactment of the organization registration law in October 2022, which mandates registration for CSOs, has created a hostile environment. CSOs are forced to disclose their funding and areas of operation. The law prohibits the provision of services outside areas under military control. In the past, civil society sometimes filled gaps in the state's reach with regard to providing social services, particularly for disadvantaged communities. The current hostile environment has significantly curtailed their capacity to represent community interests, provide services or advocate for policy changes. Following the massive military crackdown after the 2021 coup, many CSO activists were forced into exile or went underground and joined the PDFs' armed struggle.

Commitment to democratic institutions

1

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Party system

2

'06 '26 10



Interest groups

2

'06 '26 10



As a political system, democracy has widespread support, as reflected in the countrywide Civil Disobedience Movement (CDM) and the public demonstrations that followed the February 2021 coup. Moreover, some groups have proved willing to fight for a democratic state.

In the two rounds of the Asia Barometer Survey conducted in 2015 and 2019, Myanmar's citizens broadly supported a democratic system, although indicators also pointed to weak support for specific democratic values and practices. For example, 84% of respondents voiced support for democracy in general, and two-thirds (66%) said they preferred democracy over other political systems, with only 9% indicating a preference for authoritarian alternatives. The majority of the population (64%) in 2019 continued to have faith in democracy to solve political problems, although this share represented a decline from 74% in 2015.

At the same time, most respondents felt that citizens in the country were not prepared for democracy (74%), that democracy creates problems (70%), and that it is ineffective at creating growth (65%) and maintaining order (62%).

It also appeared that respondents tended to lack a sound understanding of how a democratic system works. Only one-third were in favor of either the legislature or the judiciary having oversight of the executive.

The 2010 – 2020 decade saw growing public confidence in democratic institutions. In general, public trust in these institutions increased during the period from 2015 to 2019. The share of the public indicating trust in the police saw the largest increase (from 28% to 61%), with similar gains seen for local administrations (from 48% to 78%) and state governments (from 47% to 76%). However, the last Asia Barometer Survey was conducted more than a year before the February 2021 coup. Police forces have since participated in the brutal repression of anti-coup protests, including the targeted killing of peaceful protesters.

The growing violence and resurgence of civil war since the 2021 coup will take a heavy toll on social capital, and might lead to greater mistrust among citizens. Surveys before the 2021 coup already showed low levels of trust among citizens. According to data from the Asia Barometer Survey Wave 5, only 35% of the population in 2019 said that they had a great deal or quite a lot of trust in most people, compared with 55% in 2015. That same year, 57% reported having “not much trust at all” in most people (2015: 39%). A 2014 Asia Foundation survey found that levels of social trust were low and that political disagreements were deeply polarizing. According to these data, 77% of all respondents believed that people could not be trusted (71% in the states, 80% in the regions).

According to the Asia Barometer Survey, the share of Myanmar citizens joining organizations fell sharply from 61% in 2015 to 39% in 2019. An increasing number of citizens chose not to join organizations, a trend that did not bode well for efforts to build social trust and strengthen democracy. In addition, social capital often breaks down along ethnic or religious lines.

Approval of democracy

n/a

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n/a 1

Social capital

2

'06 '26 10

1 2 3 2 1

The country's growing civil war and intensifying armed conflict have led to widespread displacement, forcing more than 4 million people to flee their homes. This mass displacement has disrupted traditional community structures and support networks, leading to a decline in social cohesion and trust within communities.

However, countervailing patterns can be seen in reports of high levels of resilience and self-help among Myanmar's population following the 2021 coup. The coup has been rejected by a vast majority of the population, potentially increasing social trust and social cohesion among citizens as they jointly oppose the military.

II. Economic Transformation

6 | Level of Socioeconomic Development

While Myanmar reached (lower) middle-income status in 2015, it now has a Human Development Index (HDI) score of only 0.608, and was ranked 144th out of 191 countries in 2022.

Nineteen percent of the population lives in extreme poverty. The country made significant progress in reducing poverty in the decade leading up to the coup. World Bank data show that the proportion of people living below the poverty line decreased from 48.2% in 2005 to 24.8% in 2017. However, progress was uneven, with rural areas (30%) much more affected by poverty than urban areas (11%). Chin State (60%) and Rakhine State (40%) had the highest poverty rates. Ethnic minority groups, which face widespread poverty, have long been structurally excluded. This form of exclusion also has political implications, as most state institutions are dominated by the Bamar ethnic group.

In the past two decades, poverty reduction was accompanied by rising inequality. The Gini coefficient increased from 31% to 37% between 2005 and 2015, and only declined to 30% during the period from 2015 to 2017. Amid rising poverty rates and an economic downturn (with job losses in key industries) that particularly affects lower-income groups, this suggests that inequality has again been on the rise after the coup. The resurgence of civil war in the country is also having a severe impact on poverty, which has worsened significantly in urban and rural areas. According to a 2024 UNDP household survey, 77% of Myanmar households were poor or near-poor, up from 58% in 2017. Women, in particular, face escalating barriers due to the dual burden of intensified conflict and increasing economic instability. The UNDP survey also found that women were 1.2 times more likely to live in poverty than men. Consequently, the UNDP report describes a “feminization” of poverty.

Question
Score

Socioeconomic
barriers

1

'06 '26 10



Economic indicators		2021	2022	2023	2024
GDP	\$ M	66345.3	62253.0	66757.6	74079.8
GDP growth	%	-12.0	4.0	1.0	-1.0
Inflation (CPI)	%	-	-	-	-
Unemployment	%	4.3	3.1	3.0	3.0
Foreign direct investment	% of GDP	3.1	2.0	2.3	1.5
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	63.4	56.1	59.1	59.3
External debt	\$ M	13758.9	12537.5	12162.1	-
Total debt service	\$ M	883.1	946.2	911.7	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	-	-	-	-
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	1.0	0.6	-	-
R&D expenditure	% of GDP	0.1	0.0	0.0	-
Military expenditure	% of GDP	4.3	4.1	3.8	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Myanmar's economy can best be described as a military oligarchy. Close relationships between the military and crony-style businesses dominate the private sector; for example, two military companies and their subsidiaries generate revenues that dwarf those of any civilian-owned company. The military's companies do not report their income or pay taxes. In addition, many companies and conglomerates are privately owned by military personnel and military cronies. Post-coup, these entities have further solidified their position and benefited from policies under the military regime. This entrenchment has stifled competition, as private enterprises have faced increased hurdles. Many small and medium-sized enterprises have struggled to navigate amid renewed political and economic uncertainty.

Myanmar's informal economy is among the largest in the world. Even when illicit activities such as illegal gem mining, drugs and the illegal timber trade are excluded, the informal economy remains significantly larger than the formal economy. About 81% of businesses in Myanmar operated informally in 2020, according to the International Labour Organization (ILO). The illicit economy expanded after the coup. Myanmar became a hub for cyber scam operations, particularly in regions controlled by pro-regime militias and warlords.

The military regime has shown no interest in establishing and enforcing clear rules to protect competition and restrict monopolistic structures. The SAC has the authority to enact laws and issue regulations and notifications without oversight or transparency. Decision-making is opaque, and given the SAC's focus on maintaining control and addressing security concerns, competition law enforcement does not appear to be a priority on its agenda.

The SAC favors military-owned businesses and private firms owned by military personnel and cronies, bypassing the competition law that took effect in 2017. The law established a commission that began operating in 2019. After the coup, the commission was reconstituted and packed with members close to the military junta. It met regularly in 2023/24 but concentrated on "increasing awareness" and fostering regional cooperation. Experts are concerned that entrenched patterns of cronyism impede the commission's effectiveness and impartiality. Myanmar is not a member of the International Competition Network.

Some businesses, particularly those owned by the regime's key leaders, have exploited their positions and connections to benefit significantly. The profiteering pursued by Min Aung Hlaing and his family is the most prominent example. Min Aung Hlaing is "one of the biggest shareholders" in the military conglomerate MEHL, which controls many businesses, including some in the natural resources sector.

Market organization

2

'06 '26 10



Competition policy

2

'06 '26 10



Min Aung Hlaing's family has also benefited. His son's construction company, for example, has reportedly received numerous military construction contracts through non-competitive processes. His son's insurance company has reportedly sold compulsory life insurance plans to all military members and monopolized the supply of medicine to the military. While Min Aung Hlaing's family has been the most prominent beneficiary, numerous military officials have enjoyed economic benefits from the coup.

After the military coup, the SAC reversed some liberalization policies that had been passed and partially implemented during the reform period. To promote import substitution and self-sufficiency, it implemented import bans, quotas and support for import-substituting activities. It also put in place thousands of new trade license requirements and foreign exchange controls. The SAC's import restrictions included soft drinks and food products and a temporary ban on imports of motorcycles and passenger cars, as well as limits on export earnings. Economic restrictions have fueled informal trade.

Myanmar joined the World Trade Organization in 1995. At that time, the country was isolated from the West because of Western sanctions and the junta's self-isolation. The liberalization of foreign trade began in 2010 with political reforms. During the reform period, the country opened notably in the fields of telecommunications technology, tourism and manufacturing. However, many of these sectors were dominated by monopolies that military cronies had established during the period of sanctions. Accordingly, many of these cronies grew even richer during the liberalization period. Moreover, liberalization was limited in the agriculture and petrochemicals sectors. Nearly 100% of agricultural products and minerals remained protected by non-tariff measures and tariffs. The simple non-tariff measure was 6.5 in 2021.

Large shares of the country's de facto foreign trade – for example, in timber, gemstones, rare earths and other natural resources – are illicit and thus remain outside the formal foreign trade balance.

The return to military rule and the resulting economic and political upheaval led to a near collapse of the banking system. In March 2022, the central bank also ordered ministries and other government agencies to stop using foreign currencies in order to stabilize the kyat. These measures indicate a return to state intervention in a banking system that had been gradually developing during the period from 2010 to 2020. Prior to the coup, a legal framework had been established allowing private banks to commence operations in the country. By 2019, there were 28 operating banks, with most located in urban areas. Among them were four state-owned banks, 10 semi-official banks and 14 private banks. The banking system is highly asymmetric and dysfunctional. There is a lack of transparency, and most institutions have not met financial reporting requirements.

Liberalization of foreign trade

2

'06 '26 10



Banking system

2

'06 '26 10



The last IMF consultation occurred before the coup, because the IMF does not recognize the military junta as the official government. Currently, no data are available on the bank capital-to-assets ratio or on the sector's ratio of non-performing loans. World Bank economic updates suggest an increase in the share of non-performing loans, though detailed data are unavailable.

Deficiencies in countering money-laundering and terrorist financing led to Myanmar's placement on the Financial Action Task Force (FATF) blacklist in October 2022. In 2023 and 2024, the FATF kept Myanmar on the list because the financial system lacks regulations.

8 | Monetary and fiscal stability

Myanmar has experienced significant inflationary pressures since the latest coup. These pressures remained high during the reporting period. Data from the SAC show that inflation peaked at a rate of 35% in the fourth quarter of 2022, and remained high in 2023, averaging 28%. Drivers included economic sanctions, a lack of investor confidence and supply chain disruptions due to the country's civil war.

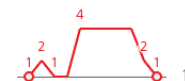
The central bank has lost the limited autonomy it had during the reform period. The military regime transferred a number of high-ranking officers to the central bank, resulting in several irrational and highly opaque decisions aimed at combating capital flight. It also sentenced the bank's previous civilian governor, Bo Bo Nge, to 20 years in prison, and appointed Daw Than Than Swe to this position as the first female governor.

The central bank ended its previous managed floating exchange-rate regime and sought to curb capital flight. It mandated that companies convert foreign currency at the official exchange rate. As a result, multiple exchange rates emerged – an official rate and various black-market rates. The central bank maintained an official reference exchange rate of 2,100 kyat to the U.S. dollar in 2023 and 2024 (a rate it had already set in 2022). The black-market rate has been much more volatile. This ranged from a record low of 7,500 kyat to the dollar in August 2024 to 3,500 kyat to the dollar the year before. These fluctuating exchange rates have significantly disrupted the economy, making imported products scarcer and the business environment more challenging.

Monetary stability

1

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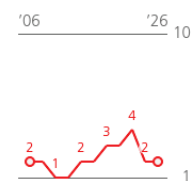
There has been a decline in the regularity and transparency of fiscal reporting. The 12-month Budget Law for fiscal 2024, covering April 2023 to March 2024, was enacted during the review period. However, comprehensive details on the budget's allocations and fiscal targets were not published, limiting transparency. The FY 2024/25 budget was released only in October (instead of March), indicating weaker budget transparency.

According to recent World Bank figures, the budget deficit increased from 3.3% of GDP in the previous year to 6.1% in FY 2023/24. Total revenue fell to 19.8% of GDP from 23% in the previous year. Public debt has risen to 66% of GDP.

To finance its fiscal deficits, Myanmar relies on domestic financing from the central bank as well as on purchases of short-term treasury bills by the banking sector.

Fiscal stability

2



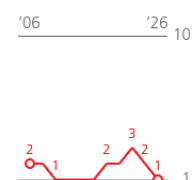
9 | Private Property

Property rights are not effectively protected, and land disputes are common (some involving foreign investments). Ownership of land is often contested because of the history of military land grabs. Land grabs by the military and powerful business people (often with links to the military) continue in many rural areas. Because of the persistent lack of civilian oversight of the military, such acts have usually been met with impunity, even during the reform period. Since the coup, Myanmar's authorities have begun seizing property belonging to regime opponents and their families to intimidate them. The civil conflict has also caused large-scale destruction because the military's use of air strikes against civilians and scorched-earth tactics has led to the destruction of hundreds of villages.

Private companies exist particularly in the agricultural, small-scale manufacturing, retail and tourism sectors, while most state-owned enterprises are in the oil and gas, energy or transportation sectors. Following the coup, the private sector has faced increasing challenges, including access to finance, rising prices and security concerns. The government has established a privatization commission but as of the time of writing, had not yet announced new plans to sell state-owned assets. However, in January 2025, the NUG warned that the Privatization Commission could sell the state's assets soon. Traditionally, beneficiaries have been closely associated with the military regime. In previous privatization rounds, such as the highly opaque privatization that preceded the liberalization between 2011 and 2020, Myanmar's military conglomerates, cronies and private individuals with links to the military were the prime beneficiaries. When formally private businesses are run by former military personnel or businesspeople with links to the military, their interests are often de facto protected, owing to their privileged position vis-à-vis other citizens.

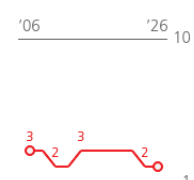
Property rights

1



Private enterprise

2



10 | Welfare Regime

Myanmar's social protection system remains gravely underdeveloped. The social security system revolves around two components: a pension scheme for civil servants and a social security scheme for people in the private sector. Even during the reform period (2011 – 2020), when the rudimentary social protection system was expanded, social security coverage reached only 1.5 million individuals. During the reform period, budget allocations for the programs increased ninefold between 2015 and 2021. Despite this expansion, however, the social security system lacks basic protections. There is no unemployment scheme, and many workers in both the informal and formal sectors lack protection.

After the coup, the new military government dramatically reduced social spending. In FY 2023/24, Myanmar's government allocated about 2.2% of gross domestic product (GDP) to health and education. This marks a significant decline from about 4% in the 2020/21 fiscal year, reflecting reduced investment in essential services. As a result, a significant portion of the population is vulnerable to poverty, a situation that has worsened since the coup. In the absence of state spending, family networks and the diaspora have had to step in. Their impact, however, is impossible to quantify.

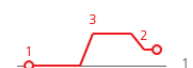
The 2008 constitution of Myanmar enshrines gender equality, but certain laws and societal norms perpetuate discrimination against women. Traditional, cultural and religious stereotypes often limit women's rights, political leadership opportunities and roles in society. These entrenched biases hinder the effective implementation and enforcement of gender equality provisions. In Myanmar in 2023, the labor force participation rate was 41.5% for women and 69.9% for men. The reported literacy rate for women aged between 15 and 24 is 86.3%, lower than for men (92.4%).

Moreover, women in war-torn ethnic areas are far more vulnerable than men. This is evident in high rates of human trafficking, rape and forced prostitution. The Myanmar military has long been accused of using rape as a weapon of war. Compounding the challenge, Myanmar's traditional society does not openly discuss these issues. A recent UNDP survey also found that women in Myanmar have been more severely affected than men by the twin crises of the COVID-19 pandemic and military rule. They were at the forefront of protests against the military regime. However, the opposition has often denied them leadership roles in the resistance movement.

Social safety nets

2

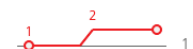
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Equal opportunity

2

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11 | Economic Performance

During the review period, Myanmar's economy continued to struggle with slow growth, increasing poverty, high inflation and a challenging business environment. Since the 2021 coup, Myanmar's economic performance has been the weakest in Southeast Asia. Real GDP is estimated to have declined by 1% in FY 2024/25, another poor annual performance for an economy that has not yet recovered from the 18% drop in GDP following the coup.

Specific figures for per capita income in 2023 and 2024 are not readily available. However, economic contraction and rising inflation have likely led to a decrease in real income per capita and an increase in poverty rates. According to the UNDP, 77% of Myanmar's households are poor or near-poor, up from 58% in 2017. Rising poverty rates are at least partly driven by inflation, which peaked at a rate of 35% in the fourth quarter of 2022 and remained high in 2023, averaging 28%.

Myanmar's labor market has been affected by growing out-migration, which has become still more

prominent since the SAC announced the implementation of the conscription law in February 2024. This contributed to significant labor shortages and consequent wage increases – all of which have affected the business environment.

This outflow has included many skilled workers, constituting a brain drain that is among the many factors making it difficult to attract new foreign investment to Myanmar. Investment is further hampered by economic sanctions and the ongoing civil war, which has expanded into the Burman heartland. Many businesses have left the country, and new investment has declined significantly. Approved foreign direct investment (FDI) inflows have fallen from more than \$5 billion in FY 2019/20 to \$662 million in FY 2023/24. The majority of post-coup approved investment has been in the power sector, though many of these projects have not been implemented.

Natural resource extraction (such as logging and the timber trade, gem mining, and the extraction of rare earths) generates substantial but mostly illicit revenue that benefits the military, pro-government militias or – depending on the geographical area – anti-regime EAOs. This revenue largely remains outside the official budget, is not taxed and thus rarely benefits the population, which must cope with the environmental fallout.

Output strength

2



12 | Sustainability

Myanmar's political and socioeconomic challenges have further harmed the environment. These trends threaten ecological stability and, in turn, community livelihoods. Myanmar has experienced a rapid decline in forest cover, losing 19.3% of its forests since 2000. Deforestation has accelerated post-2021 because of increased illegal logging and agricultural expansion, driven by economic adventurism and facilitated by weak regulatory oversight. The military and EAOs finance their operations by granting companies licenses for logging and natural resource extraction (e.g., gems or rare earths), disregarding environmental concerns. This loss of forest cover exacerbates climate change, threatens biodiversity and undermines the resilience of local communities to environmental shocks. If deforestation continues at the current pace, Myanmar's forests will be depleted by 2035.

Mangroves, which are critical to protecting coastal areas from storm surges and sustaining local livelihoods, have declined by 37.9% since 2000. This decline stems from unsustainable practices, including land conversion and illegal logging, which have intensified in recent years.

Major environmental damage has also recently been reported in relation to rare-earth mining, for example, in Kachin State.

Decades of military rule have had a severe impact on Myanmar's education system, which has remained chronically underfunded and internationally uncompetitive. School attendance remains low, teaching standards are poor and dropout rates are high. During the liberalization period (2011 – 2020), conditions slowly improved as both the Thein Sein and NLD governments began to pay more attention to the sector. Under the ousted NLD government, education became a priority. The 2015 law amending the National Education Law specified that education spending should be expanded to account for up to 20% of the total government budget. Although the NLD government fell short of this aspiration, it allocated substantially more funds to education during its tenure: 8.4% of the total state budget and 2.4% of GDP in 2020.

COVID-19, the coup and the subsequent protests, and the resurgent civil war had a significant impact on the education system. Approximately 30% of the teaching workforce joined the Civil Disobedience Movement, refused to work for the junta, and were dismissed. The mass resignation resulted in a severe shortage of qualified teachers, further destabilizing the education system.

The political instability and resurgence of civil war have also deterred students, including high school students, from returning to school. Many students and teachers decided to boycott state-run schools, viewing attendance as an endorsement of the military regime.

Environmental policy

1

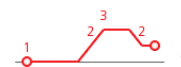
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Education policy / R&D

2

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Additionally, the education system became more fragmented when the NUG announced it would implement various education programs. The NUG has initiated school programs in the “liberated areas” of the Magwe and Sagaing regions and has provided online activities. According to the opposition, these have attracted thousands of participants. However, this is difficult to verify. Alternative education systems have expanded, particularly in ethnic minority areas. These systems aim to provide education aligned with local languages and cultures and operate independently of the junta’s administration. Several international universities and foundations are also attempting to provide alternative education opportunities, including online tertiary education.

According to World Bank data, education expenditures in the military government’s budget declined, with only about 7% of the state’s budget allocated to education in FY 2023. According to state media, the allocation increased to 9.4% of the budget in FY 2024. This amounts to 2.1% of GDP. However, it cannot be verified whether this official announcement was implemented in practice.

Governance

I. Level of Difficulty

The structural constraints on governance in Myanmar are severe, including chronic poverty in large parts of the country, particularly in ethnic minority areas; low education levels; and deficient infrastructure. Additionally, the high number of displaced people – with around 2.5 million such individuals, Myanmar has one of the largest displaced populations in the world – is a structural constraint on governance. There has been a massive outflow of people to Thailand, China, Malaysia and India; the brain drain of professionals (doctors, engineers, teachers) is worsening the state's ability to function effectively. Moreover, Myanmar has a particularly young population, with around 27% of its population under the age of 14. The youth unemployment rate is high, and many young people are recruited into resistance forces.

The Delta region and the lowlands are prone to flooding and earthquakes. For instance, in September 2024, Tropical Storm Yagi caused large-scale destruction and displaced more than 2 million people. On March 28, 2025, central Myanmar was shaken by an earthquake with an estimated magnitude of 7.7 (Sagaing fault line, epicenter in Mandalay). The mountainous regions in the east are generally inaccessible. There is limited mitigation capacity.

Given the long period of military rule, civil society traditions remain weak. During past periods of military rule (1988 – 2010), spaces for civil society existed only in areas of limited state control (that is, in the education or health sectors, where the state was too weak) or in ethnic minority areas, where civil society organizations assisted rural communities. In the wake of Cyclone Nargis in 2008, a number of CSOs came into existence, laying the foundation of civil society. Due to a lack of state support, many local community groups emerged to address citizens' needs. During the reform period, these groups began to work in a number of fields, such as women's rights, natural resource governance, education, peacebuilding, poll watching and rural development. Though civil society often lacked access to and influence over the government and policymaking, it helped deepen democracy by reaching out to marginalized groups within society. It also built an important reservoir for collective action, which became fully visible after the 2021 coup and the emergence of the resulting Civil Disobedience Movement. Millions of people protested against a return to military rule. During the protests, civil society also attempted to bridge existing

Structural
constraints

9



1

Civil society
traditions

8



1

cleavages. Civil society mobilized across class, gender, ethnic and generational divides to demonstrate its unwavering rejection of the coup, standing at the forefront of a full-scale social revolution against the establishment. This went against many established norms of traditional society. Civil society groups also reached out to ethnic communities (such as the Rohingya) to apologize for past injustices. The high level of repression over the past two years has forced many civil society actors to flee the country and operate clandestinely or in exile, significantly hindering their capacity to function effectively. Many pro-democracy civil society activists have also gone underground and joined the armed struggle.

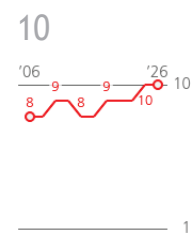
In addition, Myanmar civil society is fragmented along ethnic and religious lines. It also includes highly conservative and undemocratic elements, such as parts of the Buddhist Sangha, which have allowed themselves to be co-opted by the military regime.

Conflict intensity is very high in Myanmar, and fundamental political, social and ethnic differences are fueling the active civil war. Since 2021, lines of conflict and the number of conflict actors have increased significantly. Violence has now spread across the entire country, including the Bamar-majority region in central Myanmar, which had seen decades of relative peace.

Since the country's independence in 1948, various ethnic armed organizations (EAOs) residing largely in Myanmar's outer regions have fought for some form of autonomy and even independence. Although the military negotiated cease-fires with several ethnic armies in the 1990s, it did not make political concessions that would make the EAOs lay down their weapons. Only during the reform period (2010–2021) did the civilian administrations engage in new peace initiatives. The Thein Sein government negotiated the National Cease-fire Agreement (NCA) in October 2015, which was signed by eight smaller EAOs. The most powerful groups, such as the United Wa State Army (UWSA) and the Kachin Independence Organization – Kachin Independence Army (KIO/KIA), refrained from signing the cease-fire due to a lack of trust. The civilian government under Aung San Suu Kyi continued the peace process but was able to persuade only two additional (but minor) armies, the KNU and the RCSSS, to join the NCA during its tenure. Ultimately, though it was welcomed by many Western donors, the NCA proved divisive, as the non-signatories viewed it as a military instrument of divide and rule.

The coup reignited the civil war. When the military repressed the Civil Disobedience Movement (CDM) and crushed peaceful protests, People's Defense Forces (PDFs) formed to protect people from the junta's violence. Encouraged by an announcement by the NUG that communities had the right to self-defense in light of the military's atrocities, some PDFs formalized as battalions. Some PDFs officially operate under the NUG's command, while others are related to EAOs or operate independently.

Conflict intensity



Over the past few years, the PDFs have grown in number, organization and capabilities. According to press reports, there are now more than 300 PDFs in the country, comprising roughly 100,000 soldiers. They have formed loose alliances with EAOs such as the KIA or the KNU, which have provided shelter, training and tactical support. However, other EAOs have remained more cautious.

Due to this increased cooperation between PDFs and EAOs, important military gains have been made. For example, during the review period, the military lost at least 14 towns, 200 bases and one key regional military command headquarters in Lashio (northern Shan State). However, the coordination between PDFs and EAOs has not extended into the central Bamar regions.

While limited coordination has led to military victories for some armed resistance groups, major differences dividing others have hampered broader cooperation and have sporadically triggered infighting. For example, some EAOs support an explicit denunciation of the 2021 coup, while others do not. Some new armed resistance groups have integrated directly into the NUG command structure, while others refuse to do so. Some resistance groups seek autonomy, while others prefer a federal system. The absence of a political consensus on a new governance structure has made it impossible to form a unified front against the military regime. This divide stems from disagreements between the NUG and EAOs over the future political order and leadership roles.

The most militarily powerful ethnic alliance is the Three Brotherhood Alliance, which comprises the Arakan Army (AA), the Myanmar National Democratic Alliance Army (MNDAA) and the Ta'ang National Liberation Army (TNLA). While it has dealt major blows to the military junta, its political track record is highly problematic; all three of its members have been accused of massive human rights violations and involvement in the drug trade.

The junta has responded to its loss of territory to resistance forces by increasingly using air strikes or drone strikes, and by shelling civilian populations. According to data from the Armed Conflict Location & Event Data Project (ACLED), there were 253 military air strikes targeting civilians in 2023, but this figure more than tripled to 776 in 2024. According to ACLED estimates, around 50,000 people died in armed conflict between 2021 and mid-2024.

II. Governance Performance

14 | Steering Capability

The SAC's priorities center on military victory and securing the military's political survival at all costs. Decisions are often influenced by security interests and clientelistic networks. In the past two years, online scam centers operated by criminal networks have mushroomed in Myanmar along the Chinese and Thai borders. They have become a major security concern with regional implications, since many Chinese and Myanmar nationals have been trafficked into these centers. China has repeatedly urged the Myanmar military to close these centers. The Three Brotherhood Alliance's territorial advance was reportedly permitted by China because it had grown frustrated with the SAC's unwillingness to clamp down on cyber scam centers run by pro-junta syndicates and militias. In late 2023 and early 2024, China escalated its pressure on Myanmar, sending high-level delegations to demand action. General Ming Aung Hlaing repeatedly promised to act. He held meetings with the Thai army chief and discussed strategies to combat online gambling and scam centers. However, no action followed because the ethnic groups running these centers were partners in the fight against PDFs in the area. The border guard forces, which are involved in running these businesses, are also closely connected to the regime. The military thus profits from these businesses. Cracking down on these illegal scam centers would therefore jeopardize its security and business interests.

The government is barely able to implement its policies. Because of growing armed resistance, its territorial control is contested in about two-thirds of the country. Beyond a very narrow circle of elite- and military-linked groups, it is not seen as legitimate. Nearly all 330 townships have seen some form of resistance to military rule, often resulting in violence against local administrators. A prominent example is the implementation of the conscription law. In February 2024, the junta enforced the People's Military Service Law, mandating conscription to address severe troop shortages. This policy led to widespread fear and an exodus of young men fleeing the country to avoid enlistment. The conscription efforts have been met with resistance, including attacks on the local officials responsible for recruitment, further hindering the policy's effectiveness. A number of military officials also accepted bribes to allow people to avoid conscription.

Question
Score

Prioritization

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Implementation

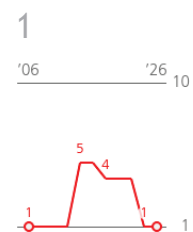
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Since the 2021 coup, there has been no successful learning or willingness to learn from international experience or advice. The junta remains focused on retaining power, often through repressive means, rather than on pursuing meaningful policies that address the nation's multifaceted crisis.

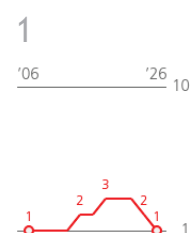
Policy learning



15 | Resource Efficiency

The ongoing political and economic turmoil is having a significant effect on the state administration and budget. The Civil Disobedience Movement of state officials – a form of protest against the 2021 coup – remained active over the past two years. At the end of 2023, about 230,000 state officials were reportedly participating. The regime has attempted to brutally suppress the movement by enacting new laws and policies that threaten the lives and safety of civil service personnel. The regime also forced some officials to return to work by threatening their families. The government has been unable to use its available financial resources efficiently. Tax revenues are among the lowest in the world as a share of GDP. In FY 2022/23, Myanmar's tax revenue was reported at 6.8% of GDP. Projections for FY 2023/24 indicated a decline to 5.9% of GDP. Over the past two years, Myanmar's public debt has remained substantial. In FY 2023/24, public debt was estimated at 61.5% of GDP, with a slight increase projected to 62.3% in FY 2024/25. The debt is financed by the central bank, further reducing fiscal stability.

Efficient use of assets



Given the military's strategic position, substantial budgetary resources are allocated to it, in addition to the income generated by its business complex. Public defense expenditures have increased significantly since the coup, rising from MMK 1.746 trillion in 2021 to MMK 3.703 trillion in 2022 and MMK 5.635 trillion (over \$2.68 billion) in 2023. The regime has not disclosed its 2024 defense budget, nor how much will be allocated in the supplementary budget.

Much of the revenue generated by military companies such as UMEHL and MEC bypasses formal government channels and is not taxed. There are indications that billions of dollars in government revenue from the oil and gas, copper, jade, rubies, amber and forestry sectors remain unaccounted for.

The state is fragmented to the point of decay. Multiple authorities control certain areas, each with its own followers and administrations. In addition to the SAC, there are the NUG and several EAOs that control their own territories, have their own administrative structures and pursue their own policy objectives. The NUG faces severe challenges, such as limited financial means. However, it has reportedly begun to run education programs, as well as health and other social services, in areas under its influence. It is doing this with the help of online platforms, although the success of these programs and the support resulting from them are difficult to assess. Several EAOs and ethnic groups have established para-state structures and are also running their own welfare and education programs. The central government's reach does not extend to many local and ethnic areas and lacks effective authority to coordinate such initiatives.

The government has failed to curb corruption, and no integrity mechanisms are in place. There is neither an independent press nor a regular, independent audit of state spending. The SAC announced the establishment of an official anti-corruption policy, but it has not created institutional safeguards to guarantee the proper prosecution of corruption. The power holders of the SAC and their cronies are themselves the main perpetrators of corruption offenses. At the same time, the junta has used corruption cases against its opponents. In 2021, most cases were directed against the NLD or its members. In 2023, the SAC's anti-corruption efforts targeted generals and businessmen who had fallen out of favor with top junta leaders.

16 | Consensus-Building

which reestablished direct military rule with the 2021 coup, has the long-term goal of establishing a political system under its tutelage. It still clings to the idea of a “discipline-flourishing democracy,” which was established in the 2008 constitution and gives the military direct representation in government and parliament as well as veto power over all important decisions. To establish this system over the longer term, Ming Aung Hlang seems to envision a change in the electoral system. There have been discussions about introducing a new electoral system based on proportional representation, though no concrete steps in this direction had been taken as of the close of the review period. Elections are promised for the (near) future, but they are likely to serve only to provide the military junta with civilian cover and a veneer of legitimacy.

The opposition – both the NUG and ethnic groups – envisions a more federal, democratic system. They agree on establishing a system that keeps the military out of politics. However, the various actors disagree on the appropriate form of federalism: some favor far-reaching decentralization; others envision federalism; still others, such as the Arakan Army, speak of a federation (rather than a joint nation-state). Most EAOs aim to retain their weapons and armed battalions and advocate the

Policy coordination

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Anti-corruption policy

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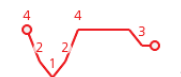
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Consensus on goals

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establishment of a “federal army.” The NUG and the CRPH have formed a consultative platform, the National Unity Consultative Council (NUCC), for political parties, EAOs, representatives of the Civil Disobedience Movement and CSOs.

On February 3, 2025, the Chin Brotherhood, the Committee Representing Pyidaungsu Hluttaw (CRPH), the NLD, the National Unity Consultative Council (NUCC), and the NUG agreed to establish a “bottom-up federalism” based on equality and the people’s will. They outlined the following six political objectives for establishing a federal democratic union: 1) eliminate the military coup government and prevent any future military involvement in politics; 2) place all armed forces entirely under the control of a democratically elected civilian government; 3) permanently abolish the 2008 constitution and resist any efforts to revive it; 4) draft and implement a new constitution based on federal and democratic principles that is acceptable to all stakeholders; 5) construct a new federal democratic union according to the principles of this emerging constitution; and 6) carry out transitional justice and provide justice for victims, including those who have suffered from gender-based violence.

The visions among the various actors are not easy to reconcile, and external attempts to bring them to the negotiating table have failed so far. The civil war therefore continues. Due to mediation and pressure from the Chinese government, the Three Brotherhood Alliance (AA, TNLA, MNDAA) – the main force behind Operation 1027, which significantly weakened the SAC’s territorial control – has kept channels open for talks with the military junta. By contrast, the NUG (and its affiliated PDFs) are unwilling to talk to the military unless certain preconditions are met (such as the release of political prisoners). They further maintain that the military’s control must be dismantled once and for all – before any form of political dialogue can be pursued.

Although the SAC has declared the objective of establishing a market economy, and Min Aung Hlaing declared immediately after the coup that the junta would be investor-friendly, the junta has shown no interest in economic issues. The military’s economic thinking revolves around the military conglomerates and crony businesses that strengthen its rule.

To date, the NUG has not disclosed its economic vision and has focused on cutting funding to the military government and financing the people’s revolution.

There are no visible reformers within the military regime. General Min Aung Hlaing has centralized control of the military, and only a few acts of overt disloyalty have emerged. To prevent any form of disloyalty, Senior General Min Aung Hlaing has rotated, removed or arrested dozens of experienced commanders and promoted loyalists. Reformers do not come out into the open and therefore cannot influence political developments.

The military junta inflames deep-seated sentiments among ethnic and political adversaries. It is fighting a civil war against ethnic minorities and still clings to the idea of a Bamar-dominated state. It has incarcerated nearly all members of the democratic opposition and is using extreme violence against the general population. Consequently, the younger generation, which is on the front line of the opposition, is pursuing a “revolution” against the military. The aim is to “uproot” the military dictatorship in order to establish a “genuine democracy” – a democracy built on federalism and without representation of the military. The military in turn treats the opposition as “criminals” or “terrorists.” At the same time, the opposition NUG has branded the military a “terrorist” organization.

The military has a long history of dividing and ruling with respect to the EAOs and, more broadly, the country’s ethnic minorities. In the 1980s and 1990s, this approach took the form of forging bilateral cease-fire agreements and refusing to hold comprehensive peace negotiations with all EAOs or to negotiate with ethnic alliances. In 2015, the NCA served to divide the EAOs.

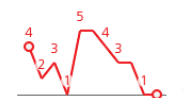
The SAC rejects any form of public consultation. Min Aung Hlaing has refused to listen to civil society voices or to external advice. Dissenting voices are threatened and persecuted. Many CSOs are in hiding or have been dissolved.

Myanmar’s military leaders manipulate memories of historical injustices as a weapon against political opponents. Min Aung Hlaing has denied the Rohingya’s historical presence in Myanmar, asserting that they are not native to the country, thereby attempting to legitimize military operations against them (in 2017). The military continues to portray the Tatmadaw as a stabilizing force essential for national unity and sovereignty. This perspective serves to rationalize the military’s continued dominance in Myanmar’s political landscape. Yet it no longer resonates with large parts of the population, who are fighting against what they perceive as an illegitimate government. The SAC continues to commit historical injustices and war crimes.

Anti-democratic actors

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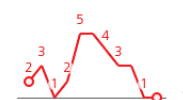
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Cleavage / conflict management

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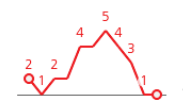
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Public consultation

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Reconciliation

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The NUG currently designates the military regime as “terrorist.” It is actively engaging with the country’s diverse ethnic groups to foster national reconciliation and build a unified front against military dictatorship. The NUG has also been proactive in acknowledging and addressing past injustices. It has made efforts to redress historical wrongs against various communities and ethnic groups, aiming to establish its legitimacy both domestically and internationally. For instance, it has publicly advocated for the political inclusion of the Rohingya. This is necessary because most ethnic groups harbor mistrust of the NLD/NUG and its leaders, as some see the so-called reform period (2011 – 2020) as an episode of reconciliation between the NLD and the military that neglected ethnic concerns. The NUG is also systematically collecting evidence of human rights violations, including arbitrary killings, torture and crackdowns on peaceful protests. This documentation aims to support future legal actions against those responsible within the military regime. At the same time, many ethnic minority representatives and young Burman activists still perceive the NUG as being dominated by the NLD and majority Burman representatives.

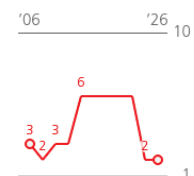
17 | International Cooperation

Myanmar’s post-coup isolation continued during the review period. The United States, the United Kingdom, Canada and the European Union have imposed targeted sanctions seeking to undermine the junta’s financial and operational capabilities. Sanctioned by Western governments, Myanmar largely relies on economic cooperation with China and Russia. The state has reportedly relied on shadow financial networks. This has included using shell companies and intermediaries to funnel goods and funds.

China has continued to invest heavily in Myanmar’s infrastructure, focusing on long-term projects that are part of its Belt and Road Initiative. While Beijing has provided material and diplomatic backing to the junta, it has also maintained open communication channels with resistance groups in order to safeguard its interests and promote regional stability. Since resistance forces have begun targeting Chinese investments and anti-Chinese sentiment is on the rise in Myanmar, Chinese authorities have become increasingly frustrated with the leadership of General Min Aung Hlaing (and have pushed for elections to be held). China has also expressed concerns about the activities of EAOs and the proliferation of cross-border criminal operations, including online scam centers. In response, Beijing has pressured some ethnic groups, including the Ta’ang National Liberation Army (TNLA) and the Myanmar National Democratic Alliance Army (MNDAA), to cease hostilities and engage in peace talks. China brokered various cease-fires in January and July 2024 and in January 2025 to protect its interests in Myanmar.

Effective use of support

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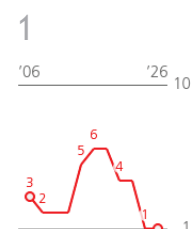
Many Western governments have focused on the provision of humanitarian aid, particularly emergency assistance and food for displaced people. Humanitarian operations have faced severe constraints due to insecurity, bureaucratic hurdles and targeted attacks on aid workers. Moreover, both the United States and the European Union have sought closer relations with the NUG's parallel government. The European Parliament has accepted the CRPH and the NUG as legitimate representatives of the country.

At the United Nations, the junta was unable to take its seat in the General Assembly because Ambassador Kyaw Moe Tun, who defected, refused to leave his post. Backed by a compromise between China and the United States, the United Nations credentials committee has refused to appoint the junta's candidate. Because of the divisions in the international community regarding which entity to recognize as the country's legitimate government, a number of international organizations have stopped working in Myanmar (for example, the IMF).

Myanmar's military government is not seen as a reliable partner by much of the international community. Under the previous NLD government (2015 – 2021), the military's violent expulsion of about 1 million Rohingya from Myanmar in 2017 led to the establishment of the Independent Investigative Mechanism for Myanmar (IIMM) in September 2018. The IIMM has a mandate to collect, consolidate, preserve and analyze evidence of the most serious international crimes and violations of international law committed in Myanmar since 2011. Since the military authorities in Myanmar do not cooperate with the international community, the IIMM has also broadened its mandate to collect evidence of gross human rights violations since the military takeover in 2021. Since 2023, the IIMM has published several reports that highlight serious international crimes in Myanmar. This has included documentation of incidents of unlawful killings, sexual violence and other forms of abuse. The IIMM's evidence is also central to the investigations of the International Criminal Court (ICC). In November 2024, the ICC prosecutor sought an arrest warrant for Min Aung Hlaing for his role in the military's crimes, particularly the expulsion of the Rohingya and the crimes committed during the 2021 coup and subsequent brutal repression. Myanmar is not a member of the treaty-based ICC, but in 2018 and 2019 rulings, judges said the court had jurisdiction over alleged cross-border crimes that took place partially in neighboring ICC member Bangladesh, and said prosecutors could open a formal investigation.

The NUG has announced that it will cooperate with the International Criminal Court (ICC) to ensure Myanmar's compliance with international legal obligations concerning the Rohingya. The NUG has accepted the ICC's jurisdiction over the case and indicated its interest in acceding to the Rome Statute. The International Court of Justice (ICJ) is also investigating the violent expulsion of the Rohingya, which is presumed to rise to the level of genocide.

Credibility

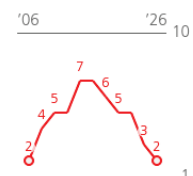


Myanmar's complex civil war and the unwillingness of Min Aung Hlaing's military leadership to initiate reforms have strained relations with Myanmar's neighbors and the Association of Southeast Asian Nations (ASEAN) more broadly. China has repeatedly shown its frustration with the regime's inability to secure Chinese interests. On the one hand, it has continued its strong diplomatic backing of the regime and has tried to broker a peace deal with the ethnic groups at the border. On the other hand, the regime's inability to control illicit activities such as online scam centers and human trafficking in the border areas has created tensions with Beijing.

Relations with ASEAN have soured. In April 2021, ASEAN adopted a five-point consensus aimed at addressing the crisis in Myanmar that included calls for an immediate cease-fire, dialogue among all parties and humanitarian assistance. However, Myanmar's military junta has largely ignored these commitments, leading to frustration and criticism among some of the more democratic ASEAN members. ASEAN has taken steps in response, such as restricting Myanmar's participation in ASEAN summits and limiting high-level diplomatic interactions. However, it has not fully isolated Myanmar, opting instead for engagement through more indirect means. Regional meetings in Thailand in December 2024 aimed to hold informal consultations with the military and neighboring countries. Detailed discussions did take place but failed to reach a conclusion. Earlier, in June 2024, Cambodia actively advocated for dialogue through the "Phnom Penh Peace Process."

Regional cooperation

2



Strategic Outlook

Three lines of development in Myanmar warrant increasing attention from the international community. First, the military is continuing to try to legitimize its rule through elections, which as of the time of writing were tentatively scheduled for late 2025. Because of the military's ongoing repression of political opponents, and because the NUG, PDFs and several EAOs reject the process, these elections are likely to further increase violence. It is also possible that Min Aung Hlaing will further postpone the elections, as he might fear being sidelined by military rivals – a process that would likely involve the formation of a military proxy party.

With China pushing for sham elections, prospects for democratic change remain bleak. Nevertheless, the United States, the European Union and the governments of other OECD countries should stand firm and make clear that they will not recognize such sham elections as a step toward political normalization.

A second dynamic to watch related to changes on the battlefield. Emboldened by the successes of the last two years, resistance forces might advance further into the Bamar heartland (and even into the country's capital, Naypyidaw). Since these areas are densely populated, the number of civilian casualties might increase further, exacerbating the humanitarian crisis.

The resistance movement should intensify its efforts to bring together stakeholders from diverse ethnic, political, religious and generational backgrounds, and work to implement its Federal Democracy Charter. Ongoing dialogue with all ethnic and religious groups remains essential. In addition, the resistance movement must advance gender equality within its own ranks.

The third dynamic concerns the humanitarian crisis resulting from the escalating civil war. Various Western donors continue to provide minimal amounts of support through local CSOs or the U.N. system. However, they have largely avoided working directly with the NUG or other opposition groups engaged in armed struggle. It is imperative that the international community maintain contact with Myanmar's opposition forces and CSOs and regularly analyze what is happening on the ground. At the same time, OECD donors can facilitate dialogue among different segments of the opposition, helping them tackle internal conflicts and differences. In doing so, OECD governments should also address controversial issues related to land mines and their use by PDFs.

Overall, OECD governments should support measures to protect civilians in Myanmar's multiple armed conflicts. This should include strict implementation and monitoring of existing arms embargoes, as well as documentation of any war crimes committed by the Myanmar military, such as air strikes against civilian populations.