Local Government Sector – Myanmar Case Study

Heesu Chung, June 2019

Sub-National Government in conflict environments

Addressing corruption in the sub-national governments of fragile and/or conflict affected states pose different challenges. In fact, corruption is argued to be highly linked with conflict. Experts like Cheyanne Scharbatke-Church and Kirby Reiling even contend that corruption, especially high-level political corruption, is "a key driving factor of the conflict" (2009). They argue that this is because in conflict contexts where the politically powerful exclude populations from resources and decision-making through patronage networks and nepotism, corruption indeed is often a key part of what is fuelling the conflict. Furthermore, they explicate that "corrupt networks themselves can reinforce the very divisions along lines of ethnicity, religion or class which feed the conflict cycle" (Scharbatke-Church and Reiling, 2009). Hence, any attempts to curb corruption, which serves as a tool in a competition for power that exacerbates divisions, will likely be met with significant—even violent—pushback from the very parties who sustain their power and benefit from this system of corruption. For this reason, addressing corruption through building good governance is critical yet delicate work to be carried out to promote peace in such fragile and conflict states, requiring a thorough stakeholder analysis of the parties involved in the corruption and conflict. In fact, as Daniel Serwer at United States Institute of Peace argues, taking down corrupt individuals in conflict contexts must be done very judiciously over time, because "sometimes, if this is

done too abruptly when other institutions of governance aren't yet in place, more violence can result" (United States Institute of Peace, 2010). This means an incremental approach to curbing corruption may be necessary in a context where the state may not be ready nor desire any comprehensive reform to tackle corruption. A state may even be open to tackling corruption, though in limited sectors, as part of their political agenda as long as it doesn't hurt their own interests and the interests of the parties in conflict.

To make matters worse, in many cases, corruption may even be so entrenched in a society that corruption in normalized in a society. In such a society where corruption is part of a functioning system, corruption must be tackled from both the demand and supply side, as all actors are involved in this system of corruption, reinforcing the status quo of power and resources differentials and maintaining conflict that is fuelled by these differences. With little evidence on effective strategies to curb corruption in contexts where corruption is deeply entrenched in both the social and political fabric of the society, one must seek out new opportunities for tackling corruption.

For example, where the actors of the conflict are in control or have a significant influence over the national government, tackling corruption at the subnational level may provide new opportunities. In fact, decentralization is thought to increase not only local autonomy and government responsiveness to local needs but also opportunities to tackle issues such as corruption at the local government level in a context where there is a lack of broader political will to fight corruption. However, this is a widely debated issue with little evidence to prove one side or the other. Nevertheless, what it does mean that in the context of a (semi-) decentralized state, strategies for curbing corruption would differ from those in contexts of more centralized states, with potential to push for certain reforms at the local level that cannot be done at national levels.
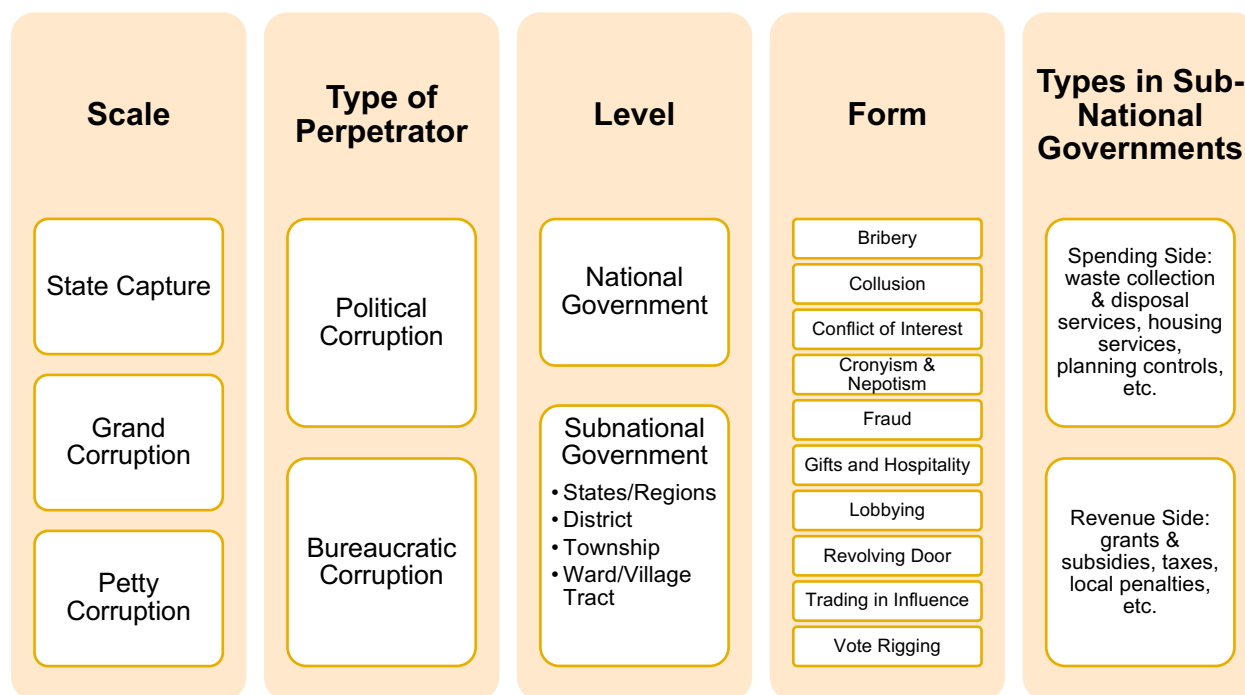
Lessons from Myanmar

Introduction

Myanmar is perceived to be one of the most corrupt countries and is a highly fragile state. In fact, in 2018, Myanmar ranked 132 out of 180 countries in the CPI index, being the bottom fifty in its perceived corruption levels and being perceived as the 6th most corrupt in the Asia Pacific. While this is an improvement from being ranked as the second most corrupt country in the world in 2010, the year "democratic" elections were held after more than 20 years of direct military rule and centuries of military control, corruption is still very much a part of everyday life for the Myanmar people. With the ongoing efforts of Myanmar seeking to decentralize their state as part of their partial democratization and peace process, aid

agencies have sought to promote accountability and transparency at the local level through local governance initiatives.

Corruption Types

While there currently aren't any comprehensive studies on the types of corruption that exist in the sub-national governments of Myanmar, based on various studies on the types of corruption that exist in Myanmar in general, one can assume that corruption exists in both the spending and revenue side of Myanmar's sub-national governments (see Section 1: Corruption types in local government). An analysis of good governance programs being undertaken by development aid agencies (See Annex A) reveal that at least there are attempts to address the issue of corruption in the spending side of the subnational-governments (i.e. public service delivery and budget execution). This is not to say that corruption doesn't exist on the revenue side, as the majority of the surveyed people in Myanmar, as aforementioned, states that they think tax officials, like Ministry of Finance officials or local government tax collectors are involved in corruption (Transparency International, 2017). Giving weight to this perception, DFID has found that there is "a high degree of 'delegated negotiability' in key areas such as revenue, an emphasis on short term fiscal management rather than medium term strategic planning, limited comprehensiveness and transparency and a system at significant risk to corruption" (DFID, 2018). Moreover, issues of corruption have been flagged in township courts as well that inherited the problem of "entrenched corruption within the judicial system, ranging from shared moneymaking schemes to routine police fabrication of evidence. All of this can fuel delays and the absence or disappearance of witnesses" (USAID, 2017). As an example of a more serious case of corruption at the sub-national level: "a Village Administrator [] pocketed 3,000 Lakh (approximately 30,000 USD) intended for providing electricity to an entire village" (Bro-Jørgensen, 2014). A "listening study" by Spectrum published in 2017 also indicate that petty corruption in the public sector is prevalent even in administration of government processes. Such petty corruption involves giving 'tea-money' for speedy processing of official documents such a national registration card (NRC) and land registration (Spectrum, 2017). These findings highlight only some of the issues of corruption that exist at sub-national levels.

Figure 1: Public Sector Corruption in Myanmar

Scale	Type of Perpetrator	Level	Form	Types in Sub-National Governments
State Capture	Political Corruption	National Government	Bribery	Spending Side: waste collection & disposal services, housing services, planning controls, etc.
Grand Corruption		Subnational Government • States/Regions • District • Township • Ward/Village Tract	Collusion	
Petty Corruption	Bureaucratic Corruption		Conflict of Interest	Revenue Side: grants & subsidies, taxes, local penalties, etc.
			Cronyism & Nepotism	
			Fraud	
			Gifts and Hospitality	
			Lobbying	
			Revolving Door	
			Trading in Influence	
			Vote Rigging	

Reforms and Reform Approaches

Overall Approach: Create New Opportunities through Incremental Systems Change

1. Limited National Approach

While there may be political will to be more transparent and clean at least at the higher political levels, as illustrated through the established the Anti-Corruption Law in 2013 and the Anti-Corruption Commission in 2014, these selective national efforts to curb corruption has been carefully orchestrated controlled by the Myanmar government. In fact, the Anti-Corruption Law, aimed at creating an Anti-Corruption Commission with the objective of "eradicating bribery as a national cause," solely focuses on bribery or illicit enrichment of public servants and doesn't have a wholistic definition of 'corruption.' Moreover, the Commission's leadership consist of two retired military generals that suggest a lack of independence from the military-ruled political powers (Quah, 2016). Tying their hands even more tightly, the Commission does not have an independent power to execute cases dealing with lawmakers and essentially it is up to the party to make a political decision on whether or not to punish the individual for his or her misconduct. Such strategic design of the anti-corruption commission allows the system of patronage that strengthens and sustains the control of power by the military-backed elites in the current political structures to be maintained, while promoting the image of a new and 'clean' government.

Nevertheless, there are signs of positive movements towards taking corruption, though defined in a limited sense, as a serious issue to be tackled in Myanmar. In fact, the Commission has been increasing its activities as the number of complaints received increased to more than 13,000 complaints from November 2018. Furthermore, last year it has been empowered to launch preliminary investigations into information received and has taken action against senior figures such as the former director general of Food and Drug Administration (FDA) U Than Htut and ex-Tanintharyi chief minister Daw Lae Lae Maw, who was arrested and charged with corruption in March 2019 (Chau, 2019). There are also anecdotes of civil servants reporting being able to take fewer bribes due to more rules and regulations (Su Shein, personal communication, June 9, 2019).

In such a state where democracy is nascent and limited, compounded by the problem of conflict, creating and strengthening the power of sub-national administrative structures through decentralization may provide new opportunities to tackle corruption. The incremental systems change approach will create new spaces for positive reforms to occur without destabilizing the country with a so-called 'Big Bang' approach of dramatic and radical reconfigurations, which may be not only politically unfeasible but also met with violent push-back by the status-quo.

2. Myanmar's Decentralization: Partial and Incomplete Process

Myanmar's 2008 Constitution created 14 state/region governments with legislative and administrative responsibilities as the first major step towards political decentralization. However, according to the Asia Foundation, "a significant limitation on the political autonomy of the executive branch of the state/region governments is the centralized appointment of the chief minister, who is ultimately accountable to the Union president." Moreover, the Myanmar military, Tatmadaw, continue to hold much power in the political system as "twenty-five percent of state/region MPs [Member of Parliament] are appointed by the commander in chief" (The Asia Foundation, 2018). Furthermore, there is no "local government" in the traditional sense below the state/region level there is no third tier of elected government.

Nevertheless, efforts have been made to increase public participation and responsiveness to local needs by creating mechanisms to allow for public participation in the subnational governance system. For instance, State/Region Hluttaws, Myanmar's legislative bodies or parliaments, have been said to "advance democratic decentralization by providing for the local selection of candidates who will be accountable to their local constituents" (The Asia Foundation, 2018). In fact, the State and Region Hluttaws have served as a 'check and

balance' against the state/region governments. However, their role in governance and relationship with the government differs state to state (or region to region). For example, according to someone who works closely with civil servants in Yangon, the Yangon Hluttaw has been proactive in scrutinizing the actions and decisions made by the Yangon Government (Su Shein[1], personal communication, June 9, 2019). The Hluttaws raise 'questions' to the government, which the government must respond to. Between 2016 to 2018, 993 questions have been raised in Yangon (The Asia Foundation, 2018). Further research needs to be done to determine what sorts of questions has been raised and whether it has increased the accountability to the state or region to its people. What can be said, though, is that there are elected Member of Parliaments (MPs) who have been quite active and very much engaged with the citizens, though the level of engagement and power differs state to state (Su Shein, personal communication, June 9, 2019).

Moreover, with the creation of township committees, such as the Township Development Support Committees (TDSCs) that were meant to "serve as a forum for various local interest groups to support the township administration on development issues" citizens now have more channels of direct engagement with the local politics and matters (The Asia Foundation 2018). Though TDSCs have been abolished with Township Management Committees (TMCs) and Township Development Affairs Committees (TDACs) remaining, citizens have been further brought closer to local governance systems with four out of seven TDAC members being from the community. Among them, a people's representative is elected by people living in the municipality (The Asia Foundation 2018). In collaboration with Development Affairs Organization (DAO) offices, the TDAC members who collect information on the needs of the township set priorities for annual planning and budgeting of township DAO funds (The Asia Foundation 2018). This means that at least for the elected municipal committee members, they are probably less likely to engage in corrupt acts that would offend their own community members (Su Shein, personal communication, June 9, 2019).

Furthermore, under the 2012 Ward or Village Tract Administration Law, Ward/Village Tract Administrators, whose role is to support local governance by "assist[ing] in the maintenance of law and order, monitor[ing] development projects, and help[ing] with poverty reduction, birth and death registration, collecting land revenue," are indirectly elected as opposed to being directly appointed by General Administrative Department (GAD) township administrators, which was the case previously (Pyidaungsu Hluttaw Law No. 1/2012). Now, after the amendment of the law in January 2016 and December 2016, the election process

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[1] For confidentiality of the interviewee, I've replaced his/her name with a pseudonym.

was altered to allow for direct elections through a system of voting for household leaders (ACDD, 2018).

In terms of administrative decentralization, though the state/region governments were provided with a select range of administrative responsibilities under the new Constitution, no new ministries were created at the state and region level to manage those responsibilities. Instead, "the role of the new state/region ministers was introduced into the preexisting system of Union ministries" (The Asia Foundation, 2018). This meant that except for the Development Affairs Departments, the municipal offices of Myanmar that enjoy fair autonomy from the central government, the state and region departments are currently functioning under a complex and ambiguous system of "dual accountability" (The Asia Foundation, 2018).

In addition, while state/region budgets have been created, allowing for some degree of fiscal decentralization, union-level actors are still heavily involved in the states and regions planning and budgeting process with a large amount of subnational expenditure remaining in the Union budget. On the flip side, "the emphasis on achieving a bottom-up planning process has increased the role of TPFICs [Township Plan Formulation and Implementation Committees], and state/region hluttaws are playing a more active role in the state/region budget process" (The Asia Foundation, 2018). In fact, the subnational actors are also getting increasingly involved in the Union budget process.

3. Lessons Learned

In a context where complete decentralization may not be political feasible nor ideal, push for decentralization in areas where it impacts the everyday lives of ordinary people the most. The DAOs are fairly autonomous in Myanmar and the creation of township committees along with Ward/Village Tract Administrators has allowed for new opportunities for civic engagement and increased accountability at lower levels. Indeed, in the Asia Foundation's 2018 City Life Survey, "when asked if they agreed that their ward administrator represented their household's interests, respondents overwhelmingly agreed, with at least 70% agreeing in all cities": Yangon, Mandalay, Mawlamyine, Monywa, and Taunggyi (The Asia Foundation, 2019). This is unsurprising as Ward Administrator are essentially elected within the small communities. The results were lower yet still sizeable for their opinion on whether or not their State/Region MPs represent their household interests, from 12% in Taunggyi to 40% in Mawlamyine. The low percentage in Taunggyi can be attributed to the fact that 72% of the surveyed people do not even know who their state or region MP is. This may be due to political apathy and/or the fact that Taunggyi, the capital of Shan State that borders China, Laos and Thailand, is one of the more ethnically diverse areas.

Moreover, perhaps as evidence for varying degrees of successes in curbing corruption or varying opportunities to engage in corruption, perceptions of corruption at the city-level is varied and quite low in some cities (see figure 2). In fact, while the perceived level of corruption was high across all cities, respondents in Monywa reported the lowest rates of bribe-giving (at 3%) and highest confidence in the government performance, with 66% saying the city if headed in the right direction and the same percentage of people saying its Sagaing regional government is responsive (The Asia Foundation, 2019). However, there are some discrepancies between reported levels of personal engagement in bribery and the respondents' perception of corruption level in the city, which may be attributed to question design, selection of respondents, and/or level of (dis)honesty in the respondents.[2] It may even be that perceptions of corruption are much higher than reality. Though at the moment it is unclear why these differences exist, a likely explanation for why Monywa reported the lowest rates of bribe-giving is that a smaller city with a smaller population and less developed than the other cities compared in the survey. Being a smaller less developed city means there are probably fewer needs for people to visit government offices, therefore, fewer occasions to give bribes. Also, community members are likely to personally know most of the public servants with members of different departments being related to one another. Yangon and Mandalay, on the other hand, are bigger and more developed cities with more diversity in population. Mawlamyine and Taunggyi are also big cities in border states so there is also greater diversity there. This means people likely do not feel as close to the government as the people of Monywa do, leading to more pressure to give bribes (Interview 6/9/19).

Figure 2: City-Wise Perceptions of Corruption in Myanmar's Top 5 Most Populous Cities (Excluding Naypyidaw)

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[2] The relevant survey questions asked by the Asia Foundation to collect this data are as follows: Question 111: "Corruption is a common practice in our city. Corruption is defined as the abuse of public office for private gain. Do you agree or disagree?"
Question 112: "Did you or your family give some money or gift as bribery in the last three months? (ex. paying tea money, pocket money or a small gift to a clerk to speed up the registration of your vehicle.)" (Source: City Life Survey 2018, The Asia Foundation).

GOVERNMENT PERFORMANCE

The following table provides a summary of respondents' perception of government performance along key urban governance indicators.

	Yangon	Mandalay	Mawlamyine	Monywa	Taunggyi
CITY IS HEADED IN THE RIGHT DIRECTION	49%	30%	58%	66%	59%
CITY IS HEADED IN THE WRONG DIRECTION	20%	26%	11%	11%	9%
WHY RIGHT DIRECTION[39]	Roads Electricity	Roads Electricity	Roads Safety	Roads Electricity	Safety Electricity
WHY WRONG DIRECTION[40]	Safety Business opportunity	Safety Jobs	Safety Jobs	Safety Roads	Safety Jobs
LEADERS HAVE A VISION	57%	66%	75%	69%	52%
S/R GOVT IS RESPONSIVE	58%	59%	59%	66%	36%
CITY GOVT IS RESPONSIVE	44%	69%	61%	64%	35%
MP REPRESENT MY HH'S INTERESTS	31%	18%	40%	24%	12%
HAD GIVEN A BRIBE PAST 3 MONTHS	10%	15%	12%	3%	13%
CORRUPTION IS A COMMON PRACTICE	52%	47%	57%	41%	43%

(Taken from The Asia Foundation City Life Survey, 2018)

Local Reform Approaches and Theory of Change

An analysis of select good governance programs being undertaken by development aid agencies in Myanmar (See Annex A) shows that in this context of partial decentralization, much of the focus is on strengthening institutions through capacity-building, specifically those of the justice sector, making these institutions inclusive, improving service delivery by making it accessible and responsive to people's needs and promoting local development. Hence, while the majority of the program activities involve a top-down technocratic approach

to improving local governance, there are some activities with a bottoms-up approach through promoting participation of stakeholders.

In other words, they showcase a mix of (i) functional approaches, (ii) people-centered approaches, (iii) monitoring approaches, (iv) transparency approaches, and (v) civil-society and media approaches.

What is implicit in the programs' theories of change is their impact on curbing corruption: these mechanisms to improve local governance may serve as an incremental preventative strategy for curbing corruption and building integrity. The strategies undertaken in these programs, though, would mainly have an impact on curbing bureaucratic and petty corruption rather than political and grand corruption, as the focus is on public service delivery in sub-national governments.

Connecting the approaches back with the theories of change (parts of it implicitly and parts of it explicitly) assumed in the programs, these approaches are all parts and pieces of a larger causal chain:

If institutional capacities for enhanced planning and public financial management at sub-national levels are built (*functional approach*) along with increased oversight (*monitoring/ justice & rule of law approach*) and matched with more capable and informed civil society and greater government transparency (*transparency approach*), *then* there will be stronger and increase government accountability and responsiveness.

If greater government accountability and responsiveness are met with greater civic engagement (*civil society and media approach*), public demand (*people-centered approach*) and political will (*people-centered approach*) to curb corruption, which in turn could further increase government accountability and responsiveness, *then* there will be reduced corruption.

However, given that the validity of this theory of change has not been scientifically proven, one should view it as a simple framework based upon which variations in application and understanding can be made.

Examples of Application of Local Reform Approaches in Myanmar

1. Functional combined with People-Centred Approaches

1.1 Capacity Building of Subnational Administrations

- **Promote participatory and responsive planning and budgeting**

Through their Local Governance Programme, UNDP has been working on strengthening the capacity of subnational administrations. Specifically, they have aimed to do so by creating

"mechanisms and guidelines for citizens' participation" and expanding "horizontal coordination for development planning at township level" to states and regions (Garrigue, 2017). This firstly involved delivering training and guidelines drafting activities in Chin and Mon States on "participatory planning and budgeting at township level and state level mobilizing the newly-created TDSCs and W/VTDSCs" (Garrigue, 2017). Secondly, following up on these preliminary activities, a participatory approach for the preparation of annual Township Development Plans, meaning evidence-based planning through consultations with the population (including women, youth and CSOs), were piloted in Kawa in Bago Region and Billin in Mon State. Consequently, in Bago Region, Mon State and Chin State, UNDP claims to have supported "adequate information and management systems for planning and budgeting, identifying priorities and coordinating local development" and enhanced their State, District and Township administrations' capacity to establish participatory and responsive planning, budgeting and monitoring mechanisms (Garrigue, 2017).

While the program did not explicitly state any impacts made on curbing corruption, the implication is that opportunities for corruption would be minimized with more participatory forms of local governance. In fact, Garrigue asserts that such capacity building and "reprograming the software of government institutions with the concepts of participation, inclusion, accountability and responsiveness" is imperative in order to not create an imbalance towards the demand side that may result in "state institutions feeling cornered by increasingly vocal civil society, media and public while missing the capacities and guidance to respond better to people's expectations" (Garrigue, 2017). The argument is that social accountability mechanisms must be coupled with these capacity building efforts in order to result in actual decrease in corruption.

With the program having only laid the groundwork for further institutional capacity building for participatory local development, the fruits of these efforts are not immediately visible. In fact, new "civil society-led social accountability initiatives run in partnership with subnational authorities over public service delivery and budget execution" are expected to be initiated to help address the issue of fighting corruption in subnational governments (Garrigue, 2017). Nevertheless, these are signs of good progress in a political context where concepts of transparency and accountability are relatively new.

Similarly, lots of capacity building activities have taken place to improve the Public Financial Management (PFM) of states and regions. Though "subnational parliaments still play a limited role in applying democratic accountability over the use of subnational budgets," due to a system of "dual accountability" as explicated in the 'Decentralization in Myanmar' section, increasingly greater discretionary powers, though still limited, have been given to state and region governments with certain ministries "delegating functions to their S/R level

offices for expenditure planning (e.g. education, health, agriculture)" (Garrigue, 2017). This means that these efforts to improve PFM and instill social accountability in subnational institutions may create positive synergies for reducing opportunities for corruption when met with other factors such as increased oversight and transparency.

1.2 One Stop Shops (OSS)

- **Reduce red tape and bureaucratic corruption through centralized administrative offices in districts and townships**

Another innovative initiative supported by UNDP is the establishment of One Stop Shops (OSS) to "improve access to quality and transparent administrative and regulatory services at district and township level" by attaching 15 governmental departments to OSS; currently OSS provide 13 different types of services to people.[3] Interestingly, one of the objectives of OSS is "to nurture the effective service delivery practice by preventing corruption and bribery." Again, the implication is that by bringing the administrative and regulatory services closer to the people, allowing them to access multiple services in one place, people can go through fewer hands for transactions and gain information with greater transparency. This, theoretically, will make it more difficult for sub-national governments and institutions to engage in acts of corruption.

The Myanmar government claims that since the establishment of One Stop Shops, "altogether 1812844 services had been already provided. Among them, Shan State stands as the most service delivering one with the accomplishment of 663,485 services and Kayah State stands as the least one with the accomplishment of 6793 services" (One Stop Shops, n.d.). However, the problem with these numbers is that it reports all the services provided by the government department offices, not just the ones provided by the One Stop Shops. In fact, it has been reported that not that many people actually use OSS, because of certain limitations to what the OSS can do. For instance, people can get the forms to apply for the National Registration Card from OSS, but OSS cannot accept the application form and issue the card, because the township immigration officer must sign it. This has led many people to

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[3] 1. Issuing license for restaurant
2. Issuing license for private mini market
3. Conducting Excise Tax and collecting four kinds of tax
4. Copying Land Record Form No (105) and applying land grant
5. Issuing license for billiard game
6. Issue related with applying permit for entertainment
7. Issues related with migration of households and birth and death registration
8. First Information cases
9. Fire security issue
10. Issues related with municipality affairs such as water and sanitation
11. Issue related with forestry
12. Issues related with social security, labour and employment
13. Issues related with livestock and fishery

skip the OCC and go directly to the township department offices where red tape, bureaucracy and petty corruption likely still exists (Su Shein, personal communication, June 9, 2019). While it is unclear why Shan State delivered the most number of services and whether it can even be used as a success, what is clear is that for these initiatives to really work, OSS must not just run in parallel to township departmental offices that still function in old bureaucratic ways, but they must be complemented with reforms within main township offices to reduce red tape and petty corruption.

2. People-Centred Approaches

2.1 Consultations and Dialogue Sessions

- **Increase spaces for community-government dialogue to take place and increase people's access to public information**

Consultations and dialogue sessions have also been the key strategy pursued by the UNDP in their Local Governance Program in order to promote participation and raise awareness of issues faced by citizens in Myanmar. To illustrate, "54 township-level and 18 State-level consultation events [were held] between subnational authorities and civil society, gathering more than 3,500 people" (Garrigue, 2017). These events led to the establishment of Coordination Forums between State and Region governments and CSO networks in 5 States to discuss a wide range of issues "from information-sharing to addressing local service delivery, women's empowerment or access to rights issues, but also more generally on widening the civic space and establishing stronger state-society cooperation" (Garrigue, 2017). As a result, UNDP claims that "there has been a 30% increase in the number of CSOs in target States reporting engaging in advocacy with local authorities for improved public services" (Garrigue, 2017). Various Township Community Centers/Community Multimedia Centers were also established to increase community-government dialogue and increase people's access to public information. Again, while the potential implication is that increased civic engagement and participation will allow for more opportunities to raise issues of corruption in public service delivery, this has not been explicitly stated by UNDP. Further analysis of these linkages with political will and public demand for curbing corruption must be made and incorporated into their theory of change.

2.2 Capacity Building and Awareness-Raising of Civil Society

- **Increase awareness of corruption issues in various government sectors, improve understanding of anticorruption laws, and increase ability to address corruption issues in local communities**

USAID has engaged in various anti-corruption training for communities in different states and regions. For example, in Mawlamyaing and Lashio, forty-five participants from 40 CSOs

and community based organization were brought together to increase awareness of corruption issues in various government sectors and improve understanding of anticorruption laws such as the Myanmar Anti-Corruption Law and the UNCAC. This training not only reportedly increased the CSOs' ability to address corruption issues in local communities, but also the recognition of the need for transparency, accountability and integrity to combat corruption (Tetra Tech DPK, 2017). While awareness raising doesn't necessarily lead to concrete actions taken, in Dawei, the training has led to another anti-corruption initiative. USAID has trained "MPs, CSOs, local authorities, teachers, community leaders and youth who lack knowledge of corruption and how to prevent it" (Tetra Tech DPK, 2017) And this has positively resulted in a watch group being formed for "corruption monitoring in Dawei that will include 10 monitors from community organizations, CSOs, and political party members from Dawei and Long Lone Township" (Tetra Tech DPK, 2018). While this initiative is still very new with more time needed to evaluate its impact on curbing corruption, these efforts can be seen as first steps in coalition building for collective action against corruption.

3. Monitoring *Approaches*

3.1 Checks and Balances in the State and Region Governments

- **Create different checks and balances through strengthening oversight by autonomous actors in the different branches of government**

In Monywa of Sagaing Region, budgets have to be signed by Members of Parliaments (MPs), creating a system of checks and balances. This creates increased oversight on budget, but also potentially more rent seeking opportunities for the MPs (M. Miller[4], personal communication, April 29, 2019). Therefore, whether this oversight actually helps or hinders corruption must be further investigated. Nevertheless, given that MPs have quite an active presence in Monywa, the fact that "residents of Monywa were the most likely to say that their state/region government was responsive [out of the 5 major cities surveyed" is encouraging (The Asia Foundation, 2019).

In Hpa-An of Kayin State, the public accounts committee, "which examines whether the funds granted by the Parliament to the government have been properly spent" is very active (Egreteau, 2017). While their central job is to audit "all expenditures ordered and made by Myanmar's Union government each fiscal year," in Hpa-An, according to a INGO staff, the committee also conducts independent investigations of roads and creates a "blacklist" of companies that have gone below specifications in the road construction (M. Miller, personal

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[4] For confidentiality of the interviewee, I've replaced his/her name with a pseudonym.

communication, April 29, 2019). In all states and regions, the construction companies working on public infrastructure projects are monitored by State and Region government and a third party, the Myanmar Engineering Society (Interview 6/9/19). The additional oversight provided by the public accounts committee, as an independent body that is not part of the executive, can play a critical role in monitoring corruption, if that is something they desire to do so. Again, their relational power to the rest of the state and regional parliament—how much power they hold over the departments—along with their political will must be analyzed first in order to make any conclusive statements on the impact of their monitoring approach.

3.2 Citizen Oversight

- **Engage the citizens to provide oversight on public service delivery through feedback mechanisms.**

In Bago Region, a mobile service delivery feedback monitoring system has been put in place through a World Bank-funded 'Proactive Citizen Engagement Initiative in Myanmar.' This allows MPs to collect citizens' feedback on the public service they received including information such as their satisfaction with the service and if there were any corruption involved. Anecdotal evidence shows that citizens in fact have been very forthcoming with their SMS responses, including reporting of bribes that had to be made to the public servants (Su Shein, personal communication, June 9, 2019). As these SMS responses are used for township level management meetings and citizen gatherings, department officials do have to respond to the complaints made (World Bank, 2018). Considering that citizens are open about reporting corruption involved in receiving public services, it is plausible that there is higher pressure on the public servants to not demand bribes.

4. Transparency (combined with People-Centred) Approaches

4.1 Budget Transparency and Citizen's Budgets

- **Increase budget transparency through creating Citizen's Budgets at sub-national levels (i.e. States/Regions/Municipalities)**

Increasing budget transparency at the subnational government level has been one of the key transparency approaches pursued by aid agencies in Myanmar. To illustrate, 'Myanmar Strategic Support Programme' (MSSP) implemented by the Asia Foundation aims to bring about "improved fiscal transparency and citizen engagement in the budget in select state and region governments and parliaments" (DFID, 2018). With the help of the Asia Foundation, last year, four sub-national governments—Bago, Kayin, Tanintharyi, and Yangon—have published their versions of Citizen's Budgets, a document presenting key public finance information such as which ministry spends public funds on what to the general

public (Valley and Guo, 2018). Ayeyarwady, Mon, and Kayah have also published their own Citizen's Budget. In addition, the Taunggyi Township Development Affairs Organisation (DAO) launched the nation's first municipal-level citizen's budget (Mizzima, 2019). While the Asia Foundation has not explicitly stated their program's link to curbing corruption, the implied theory is that if there is greater transparency in local budgeting, it could get more difficult for public officials to engage in corruption (i.e. siphoning public money). However, in order to actually have an impact on curbing corruption, public availability of budgetary information must be met with other actions discussed next.

4.2 Digitizing Government Budget Data and Engaging Civil Society and Journalists in Myanmar

- **Complement budget transparency with instilling value of civic engagement by encouraging usage of budget data to measure government performance and hold local governments accountable**

Since 2016, Ananda, a local NGO, has been working with the Asia Foundation in Myanmar to digitize publicly available regional government data to increase budget transparency. However, recognizing that providing greater access to budgetary information doesn't automatically lead to civic engagement with budget data, they've engaged in discussions and workshops with civil society and journalists on how to use the budget data to measure government performance and address issues like corruption (Htin Kyaw Aye, personal communication, April 25, 2019). Founder of Ananda Htin Kay Aye underscored that "we want the budget data to be used by reporters to write stories. We want people to use the budget data to question the government priorities. Public officials claim that they will prioritize certain things in their campaigns, and we want citizens to be able to see if their claims align with where the budget has actually been allocated to" (Htin Kyaw Aye, personal communication, April 25, 2019).
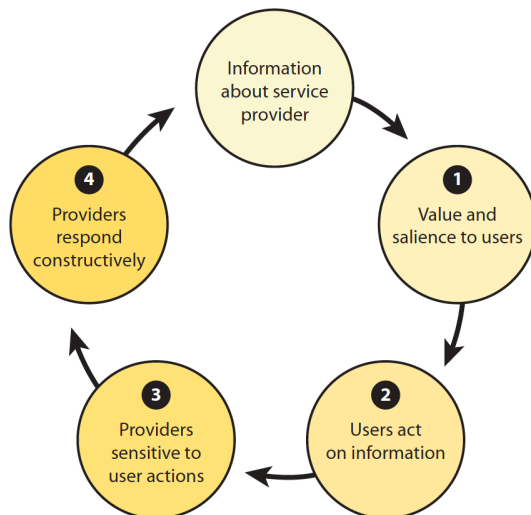
Moreover, to make the data more relevant to the people, majority of whom feel too distant from decisions made in the union and regional government budgets, Ananda has started the process of digitizing project level budget data—such as which schools are getting how much funding—in select state and region governments where such disaggregated data is available. The idea is that people can better relate to project and township level budget data as they see it having a direct impact on the public services they receive in their townships (Htin Kyaw Aye, personal communication, April 25, 2019). However, this has only been possible because the Myanmar government, more so in certain state and regional governments than others, wants to be more transparent and is publishing more budget data than before as illustrated through their publishing of Citizen's Budgets. Especially the elected Member Parliaments (MPs) are more enthusiastic than bureaucrats who such some

reluctance in pushing for budget transparency. Hence, arguably political will to be transparent and have a 'clean' government,' whether or not it is for political rallying of public support, to a certain extent is there. Specifically, "in Kayah State, there has been some really good work done to digitize the budget data. Ananda tries to provide technical data support to civil society so that they can monitor and track government's spending" (Htin Kyaw Aye, personal communication, April 25, 2019).

As an example of how these efforts can have an impact on curbing corruption, in Bago Region the public officials were forced to respond to citizens' demands when presented with discrepancies in the numbers stated in the budget and what the public officials were claim. In March 2019, a workshop was held in Bago, bringing together civil society representatives from every township to present township level budget data and discuss how to utilize it for policy advocacy. According to a participant at this meeting, people saw many problems in budget lines that raised questions about possible government misallocation of funding. Additionally, people were concerned about a dam in Bago needing serious reconstruction work as it was nearing a state of collapse; however, when they asked the regional government to do something about this, the public officials claimed that they had no money allocated to address this problem, and instead suggested fund-raising among the community to resolve the problem. Rather than retreating based on this response, the citizens responded by following up with the actual budget information, which showed that there actually was a budget line item dedicated to dam maintenance. The budget data gave the citizens legitimacy to make demands to the government and hold them accountable to their budgetary promises and potentially prevent public officials from siphoning or misallocating public funds. However, whether or not this will lead to actual steps taken to adequately fix the dam is unclear.

According to Kosack and Fund's (2014) theory of change on transparency, four elements that form a transparency "action cycle," (1) value and salience to users, (2) users act on information, (3) providers sensitive to user's actions, and (4) providers respond constructively, must be in place for the program intervention to lead to improved public services. Ananda's program does a good job of attempting to address action cycle items 1 and 2, but 3 and 4 needs to be addressed through other programs aimed at increasing government's responsiveness.

Figure 3: Four Elements Leading to Transparency Action Cycle

(Taken from Kosack and Fund, 2014)

5. Civil Society and Media *Approaches*

5.1 Consultation Events

- **Increase space for media to get their voices heard by the subnational authorities**

UNDP's local governance program has led initiatives to strengthen 3 local media networks in Chin, Southern Shan and South-East area (the country's ethnic areas), gathering 171 media organizations. Such initiatives to increase space for civil society and media to get their voices heard have yielded positive results. For instance, the "Chin CSO Network influenced their State's policies for supporting the recovery of flood-affected communities" (Garrigue, 2017). Though this isn't directly linked with corruption, greater media presence might create further pressure for subnational governments to act in their beneficiaries' interest if the fear of public attention and civic reprisal is large enough.

Overall Strategy

In summary, while the above local reform approaches display a set of good starting points for leading to the path of curbing corruption in local governments, they are missing some key components: political will, public demand, and meaningful civic engagement. After all, while there be may be public demand for better services, if the citizens can get their services without necessarily challenging the corrupt system, then there may not necessarily be public demand for curbing corruption. Additionally, just because subnational governments are responsive to the citizens needs doesn't mean tackling corruption is on their radar. If

corruption is so embedded in Myanmar society and normalized as part of everyday life, citizens may see nothing wrong with paying bribes to facilitate administrative processes. In fact, in the case of Mexico, while civic engagement was strong with effective strategies for organizing for collective action, "it was much more common to find local groups extracting resources from government than it was to find that they were holding government officials or departments accountable for the quality of the services they were receiving" (Grindle, 2007). Civic engagement wasn't "meaningful" for curbing corruption in that sense.

Moreover, without knowing the key drivers of corruption, and without understanding whether there is a social norm around engaging in corrupt behavior—with both expectation of the behavior and sanctions of non-conformity—then one cannot eradicate corruption with just these tools (Chigas and Scharbatke-Church, 2019). Such a deep understanding requires a stakeholder analysis of all parties involved in the corrupt acts. For instance, one party that must be dealt with great sensitivity is the ethnic armed organizations (EAOs). While EAOs' legitimacy is often contested by other EAOs, ethnic parties or civil society, they often "maintain authority as administrators and public service providers in contested geographical areas, not necessarily mirroring township boundaries and often only covering part of townships" (UNDP, 2017a). Hence, when designing reform strategies to curb corruption in local governments, one must consider EAOs as an unofficial local state actor with different motives and interests. As they are entrenched in the conflict, strengthening the capacity of these actors and other state actors who are seen as perpetrators of violence and conflict must be done with great caution.

Therefore, adding on these critical missing elements, the recommended overall strategy for curbing corruption in local governments of fragile and/or conflict affected state like Myanmar is creating new opportunities through incremental systems-change by promoting democratization and decentralization where possible with the following steps:

1. Reduce red tape and bureaucratic corruption through centralized administrative offices in districts and townships
2. Monitor government activities through both internal and external oversight
   2.1 Create different checks and balances through strengthening oversight by and autonomy of actors in the different branches of government
   2.2 Engage the citizens to provide oversight on public service delivery through feedback mechanisms.
3. Promote participatory and responsive planning and budgeting
   3.1 Increase budget transparency through creating Citizen's Budgets at sub-national levels (i.e. States/Regions/Municipalities)
   3.2 Instilling value of civic engagement by encouraging usage of budget data to measure government performance and hold local governments accountable

4. Increase ability to address corruption issues in local governments by...

   4.1 Increasing awareness of corruption issues in various government sectors among citizens and public servants

   4.2 Improving public servants' and citizens' understanding of anticorruption laws

   4.3 Increasing people's access to public information

   4.4 Widening the civic space, specifically, increasing space for civil society and media to get their voices heard by the subnational authorities

   4.5 Strengthening civil society and media's capacity to engage with the subnational government

   4.6 Increasing spaces for community-government dialogues where citizens feel safe raising issues and where governments can respond with information and plans for follow-up action

   4.7 Promoting responsiveness in local governments

5. Understand the underlying drivers of corruption in that context[5]

6. Understand whether there is a social norm around engaging in corrupt behavior

7. Increase desire to address corruption issues in local governments by...

   7.1 Addressing the contextual drivers of corruption

   7.2 Mobilizing and empowering champions in local governments

   7.3 Mobilizing and empowering champions in civil society

   7.4 Changing the incentives of key stakeholders in local governments

   7.5 Changing the social norms[6] (where relevant)

Readings and Bibliography

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[5] This would require in-depth field research aimed at understanding why different people engage in corruption in that context complemented by a thorough stakeholder analysis.

[6] Chigas and Church also argue that social norms cannot be ignored when tackling corruption in conflict-affected states. In these fragile state contexts where "government institutions are either a battleground for inter-group competition and conflict, or a source of exclusion and grievance," social norms tends to have a stronger influence on people's behavior due to intra-group cohesion and an "us vs. them" mentality. According to them, this means that (i) sanctions for social norms are harsher, (ii) the consequences of being sanctioned are more serious, and (iii) social norms provide some order and predictability (Chigas and Church, 2019). What this implies is that when corruption is part of the social norm of a fragile state, simply 'catching the big fish' and targeting key corrupt actors will not change the system of corruption unless the norms themselves change.

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[7] Note: All names have been replaced with pseudonyms except for Htin Kyaw Aye who consented to being named.

Annex

Annex A: Donor-Funded Good Governance Programs in Myanmar Analyzed

Funder/ INGO	Project Name	Project Timeline	Evaluations, Progress/Result Reports	Project Documents
World Bank	Myanmar National Community Driven Development Project	Nov 2012 – Nov 2021 (Ongoing)	Implementation Status and Results Reports (14) (January 20, 2019, September 26, 2018, March 10, 2018, etc.)	Disclosable Restructuring Paper (September 24, 2018), Emergency Project Paper (October 10, 2012)
UNDP + UNCDF	Local Governance Programme	2013 – 2017 (Completed)	Independent Outcome Evaluation (February 06, 2017), UNDP Myanmar - 2017 Annual Report and 2013-2017 Result Report (Sep 21, 2018)	Joint Program Document
UNDP	Support to Democratic Governance in Myanmar	2013 – 2017 (Completed)	Mid-term Evaluation (December 14, 2016), UNDP Myanmar - 2017 Annual Report and 2013-2017 Result Report (Sep 21, 2018)	Project Document
UNDP (Swiss Aid, DFID)	Township Democratic Local Governance (TDLG)	Jan 2017- Dec 2021 (Ongoing)	Outputs/Results on Website (2017-2018)	Project Document

UNDP (DFID, Japan, Australia)	Strengthening Accountability and Rule of Law (SARL)	June 2018 - Dec 2022 (Ongoing)	Outputs/Results on Website (2017-2018)	Project Documents
USAID (TetraTech)	Promoting Rule of Law Project (PRLP)	Oct 2013 – Sep 2018 (Completed)	Mid-term performance evaluation (Feb 2017), Quarterly Reports (18) (Jan-Mar 2018, etc.)	
DFID (DFAT, Swiss Aid, World Bank, The Asia Foundation)	Improving the management of public funds for the benefit of people in Burma	March 2014 - Dec 2019 (Ongoing)	Evaluation Report (July 2018), Annual Reviews (4)	Business Case and Summary
DFID	Supporting Partnerships for Accountability and Civic Engagement in Burma (SPACE)	Jan 2017- Dec 2021 (Ongoing)	Annual Review (1)	Business Case and Summary