



Fractured Heartland: Shan Politics and Conflict in Post-coup Myanmar

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What's new? Since Myanmar's 2021 coup, non-Shan armed groups have taken control of Shan-majority areas in Shan State, sidelining Shan armies and politicians. China has assumed a role as power-broker, dampening fighting but entrenching a fragmented order that risks deepening Shan grievances and fuelling inter-ethnic conflict.

Why does it matter? Shan State is Myanmar's largest and most strategically important state, central to trade with China and illicit economies. Escalation in its web of armed conflicts would be destabilising. It could also sharpen the country's ethnic divides and undermine regional security, to China's detriment.

What should be done? The Shan need greater security and better political representation. Non-Shan groups should include Shan people in local government and work to protect Shan civilians in areas they control. China should pair stabilisation efforts with economic support, and donors should encourage healthy politics by boosting local civil society and media.

I. Overview

Already reeling from decades of conflict, Shan State has entered a new and more volatile phase since Myanmar's 2021 coup. The military's decline has enabled non-Shan armed groups to seize Shan-majority towns and villages, while Shan armed groups and political parties are mostly marginalised. Beijing has emerged as a key external broker, pressing groups to stop fighting the regime and aiming to reopen trade routes with China. But it has also entrenched a fractured landscape that risks deepening Shan grievances, fuelling exclusionary nationalism and destabilising a state central to Myanmar's political and economic future. That future will remain clouded until there is a new politics in Naypyitaw, but local and outside actors can help the state find greater stability in the interim. Non-Shan actors should include Shan representatives in local governance and better protect civilians;

China should help create licit economic opportunities; other foreign donors should support civil society, including women-led groups, and local media; and Shan leaders should modernise the inclusive political vision that galvanised the Shan in the past.

Shan State matters because of its size, diversity and strategic location – linking China, Thailand and central Myanmar. It is Myanmar's largest administrative unit, home to over six million people, including a dozen sizeable ethnic groups. It is also the country's key overland trade conduit with China and a hub for both licit and illicit economies, from agriculture and mining to narcotics, scam centres and gambling. A multitude of armed entities operate in the state, including long-established ethnic armed groups and dozens of militias with overlapping territorial claims and shifting alliances. Instability in Shan State therefore has national and regional ramifications: over the past four years, conflict along the Mandalay-Muse corridor has disrupted half the country's formal cross-border trade, while population displacement and criminal industries spill instability into Myanmar's neighbours.

The coup upended the balance of power in Shan State. For decades, the Myanmar military was the most powerful – and abusive – force, not strong enough to impose its will, but able to prevent any non-state armed group from dominating, in part by establishing proxy militias. After 2021, overstretched regime forces could no longer backstop their local allies or contain their adversaries. Ethnic armed groups representing other minorities, particularly the Ta'ang National Liberation Army (TNLA) and the Myanmar National Democratic Alliance Army (MNDAA), made up mostly of Kokang, emerged as potent battlefield forces. Since late 2023, these two groups have inflicted a series of defeats on the military and seized Shan-majority areas, leaving non-Shan armies in control of a swathe of the state's north, including areas historically held by Shan armed groups.

While the regime has retaken some of the towns on the Mandalay-Muse highway and may regain more, the coup and subsequent opposition successes have irrevocably altered the complex balance of power in Shan State. But a new equilibrium among the armed actors in the state has yet to emerge, and it may crystallise only through more rounds of violent contestation among them.

Always significant given the state's proximity to China, Beijing's role has shifted with the evolving conflict. China greenlighted the MNDAA's offensive in the Kokang enclave close to the border, happy to see it oust a military-aligned Kokang militia that was deeply involved in cyberscam operations targeting Chinese nationals. But when the group and its allies pushed beyond Kokang into Shan-majority towns, severing the Mandalay-Muse trade route and threatening the military regime's survival, Beijing intervened to stop the fighting. Since mid-2024, China has combined pressure on armed groups along its border

with renewed support for the regime, demonstrating its influence over the conflict by brokering opposition withdrawals. This approach has curbed, if not halted, the fighting. But it has also inflamed national resentment of China – for propping up an illegitimate regime – and entrenched a fragmented political order.

For Shan people, the new order is profoundly disempowering. Shan, especially the youth, lament stagnant leadership that fails to stand up to the regime or defend their areas from encroachment by non-Shan forces. The two main Shan armed groups – the Restoration Council of Shan State (RCSS) and the Shan State Progress Party (SSPP), both of which have existed for decades – have refrained from fighting the regime and sparred occasionally with each other for control of territory and resources. Their credibility in the eyes of many Shan women and men has thus eroded. Meanwhile, on the political front, the leading Shan party, the Shan Nationalities League for Democracy, which the junta has deregistered for boycotting its planned election, is not included in key opposition structures at the national level, such as the National Unity Government.

Grievances among the Shan are acute. Residents of areas now under TNLA and MNDAA control describe arbitrary taxation, forced recruitment, abusive administration and cultural exclusion. With Shan armed groups also accused of exploitative taxation and profiteering from drugs and scams, many Shan feel caught between predatory outsiders and unaccountable leaders of their own. Women are often particularly marginalised. The danger is that frustration hardens into a more defensive, exclusionary nationalism, undermining the ethos of peaceful coexistence with the state's other ethnic groups that Shan leaders have long advanced and raising the risk of more inter-ethnic conflict.

Various actors should take measures to help the Shan regain their political and economic footing and thereby mitigate these risks. Non-Shan armed groups that now control areas with sizeable Shan populations should avoid exclusionary or exploitative practices, ensure that administrations reflect local demographics, and include women in meaningful roles. Foreign donors extending support to these groups' efforts to build local administrations should press them for more accountable governance and expand support to local media and Shan civil society, including women-led organisations, which can provide a counterbalance by giving communities a stronger voice.

Looking ahead, Shan and non-Shan leaders alike need to come up with a shared political vision – for example, through discussion of decentralised governance models that could safeguard minorities and help stem fragmentation. Civil society also has a responsibility to resist polarising rhetoric, especially online, that risks boosting narrow ethno-nationalist sentiments. Vernacular media outlets (that is, those that

produce content by and for local audiences in their language) should similarly resist needlessly inflammatory framing in their reporting.

China, meanwhile, should move beyond just imposing ceasefires to developing a more positive economic agenda for the state. Reopening trade routes and dismantling scam centres are important steps, but without legitimate livelihoods for local communities, illicit economies and criminal networks will continue to breed instability. A shift toward promoting sustainable economic development in Shan State is essential to reduce the corrosive influence of armed and criminal actors.

No settlement in Shan State will endure without political change in Myanmar as a whole. But by addressing immediate risks of escalation, fostering inclusive governance, and ensuring that Shan voices are part of today's opposition political structures and any future national dialogue, national and international actors can help prevent a dangerous spiral. The alternative is a fractured Shan heartland where grievances deepen and inter-ethnic tensions sharpen, undermining the prospects for a more peaceful post-regime future for the state and the country.

II. **Shan State in Context**

A. *A Diverse Frontier Economy*

Shan State's size, ethnic complexity and location at the crossroads of China, Thailand and central Myanmar make it one of the most politically and economically significant regions of the country.¹ It is Myan-

¹ For Crisis Group reporting on Myanmar since the coup, see Crisis Group Asia Briefings N°166, *Responding to the Myanmar Coup*, 16 February 2021; N°167, *The Cost of the Coup: Myanmar Edges Toward State Collapse*, 1 April 2021; N°168, *Taking Aim at the Tatmadaw: The New Armed Resistance to Myanmar's Coup*, 28 June 2021; N°170, *The Deadly Stalemate in Post-coup Myanmar*, 20 October 2021; N°171, *Resisting the Resistance: Myanmar's Pro-military Pyusawhti Militias*, 6 April 2022; N°173, *Coming to Terms with Myanmar's Russia Embrace*, 4 August 2022; N°174, *Breaking Gender and Age Barriers amid Myanmar's Spring Revolution*, 16 February 2023; N°175, *A Road to Nowhere: The Myanmar Regime's Stage-managed Elections*, 28 March 2023; N°177, *Treading a Rocky Path: The Ta'ang Army Expands in Myanmar's Shan State*, 4 September 2023; N°179, *Scam Centres and Ceasefires: China-Myanmar Ties Since the Coup*, 27 March 2024; N°180, *Ethnic Autonomy and Its Consequences in Post-coup Myanmar*, 30 May 2024; N°181, *Disquiet on the Western Front: A Divided Resistance in Myanmar's Chin State*, 19 March 2025; N°182, *A Rebel Border: India's Evolving Ties with Myanmar after the Coup*, 11 April 2025; and N°184, *Myanmar's Dangerous Drift: Conflict, Elections and Looming Regional Détente*, 18 July 2025; as well as Crisis Group Asia Reports N°314, *Myanmar's Military Struggles to Control the Virtual Battlefield*, 18 May 2021; N°319, *Myanmar's Coup Shakes Up Its Ethnic Conflicts*, 12 January 2022; N°325, *Avoiding a Return to War in Myanmar's Rakhine State*, 1 June 2022; N°328, *Crowdfunding a War: The Money behind Myanmar's Resistance*, 20 December 2022; N°330, *A Silent Sangha? Buddhist Monks in Post-coup Myanmar*, 10 March 2023; N°332, *Transnational Crime and Geopolitical Contestation along the Mekong*, 18 August 2023; N°339, *Breaking Away: The*

mar's largest administrative unit, making up almost a quarter of the country's land area – comparable in size to Bangladesh or Nepal. Stretching over a highland plateau averaging 1,000m in elevation and flanked by higher mountain ranges to the north and south, it is also one of Myanmar's most ethnically diverse areas. The eponymous Shan ethnic group makes up roughly one third of the population of more than six million, alongside more than a dozen other sizeable groups, including the Pa-O, Ta'ang (Palaung), Danu, Lahu, Kokang, Wa and Kachin.²

The state's elevation, soil fertility and temperate climate support extensive agriculture. While rice remains a staple, Shan State also produces a wide variety of other crops for both domestic consumption and export, particularly to China. It also has significant mineral deposits. Notably, it has one of the world's largest tin mines, located in United Wa State Army (UWSA)-controlled territory; the Bawdwin lead-silver mine, currently in the TNLA's hands but not operational; and an ionic clay belt containing some of the richest concentrations of heavy rare earth elements on the planet.³ The state is also the epicentre of Myanmar's drug economy, along with other forms of transnational organised crime.⁴

Conflict and militarisation, exacerbated by the coup, mean that women play a central role in sustaining households and local economies, often carrying heavy responsibilities as many men are absent due to conscription into various armed groups, migration for work and a pattern of drug and alcohol dependency.⁵ These roles can bring greater visibility and influence for some women, but they also impose significant burdens and come with risks in situations of armed conflict.

Battle for Myanmar's Rakhine State, 27 August 2024; and N°348, *The Dangers of a Rohingya Insurgency*, 18 June 2025.

² Myanmar's 2024 census gave a figure of 6.5 million, but it should be considered unreliable, as it was conducted by the regime amid considerable conflict; nearly half of the state's population was estimated rather than counted. The 2014 census said the population was 5.8 million. See "2024 Population and Housing Census: Provisional Results", Myanmar Department of Population, December 2024. Ethnicity data were not collected in 2024, and they were not released in 2014 due to their sensitivity. Local authorities (under Naypyitaw's General Administration Department) do report ethnicity numbers in township profiles, but their accuracy is questionable.

³ "Tin shipments from Myanmar's Wa State due to resume, tin group says", Reuters, 16 July 2025; "TNLA invites investment in ruby and mineral towns amid Myanmar junta onslaught", *The Irrawaddy*, 14 July 2025; and "China-backed militia secures control of new rare earth mines in Myanmar", Reuters, 12 June 2025. The UWSA is one of the largest non-state armed groups in Myanmar, controlling large enclaves on the Chinese and Thai borders; it has had a ceasefire with the Myanmar military since its formation in 1989.

⁴ Crisis Group Report, *Transnational Crime and Geopolitical Contestation along the Mekong*, op. cit.

⁵ Crisis Group interviews, Shan residents, civil society leaders and analysts, July-September 2025.

B. *A Long History of Autonomy and Conflict*

Shan State's strategic location has made it a crossroads of migration. It has long been inhabited by a mixture of Tai (Shan), Mon-Khmer and Tibeto-Burman peoples.⁶ By the 13th century, the region comprised a constellation of loosely affiliated principalities governed by hereditary rulers (*sawbwa*), many of which maintained varying degrees of autonomy or vassalage to nearby Burmese and Chinese empires.⁷ While most *sawbwa* were Shan, they generally did not pursue assimilationist policies, resulting in an ethnic diversity that endures to this day and continues to shape the state's complex politics.⁸

The *sawbwa* retained a significant level of political independence through the centuries. By the 18th to 19th centuries, most of the Shan principalities were under loose Burmese suzerainty, with considerable autonomy. During the colonial period, which began in 1885, Britain chose not to integrate them into British Burma but instead ruled them indirectly – as it did with much of the country's uplands – allowing the *sawbwa* to retain internal authority in exchange for fealty to the empire.⁹ This arrangement reinforced their semi-autonomous status and separation from the rest of colonial Burma.

On the eve of independence in 1947, Shan leaders joined the Panglong Conference alongside representatives of other ethnic communities, agreeing to join the Union of Burma in return for promises of full autonomy and a constitutional right to secede after ten years – though this right came with burdensome conditions.¹⁰ The new union government soon centralised power, failing to fulfil the spirit of Panglong. Discontent among ethnic communities grew, and armed rebellions began to emerge in various parts of the country.¹¹ In 1949, the incursion into Shan State of thousands of Chinese nationalist Kuomintang

⁶ These are the broad ethno-linguistic classifications that include most of the main ethnic groups in Shan State. Thant Myint-U, *Where China Meets India: Burma and the New Crossroads of Asia* (London, 2011).

⁷ Ibid.

⁸ Josef Silverstein, "Politics in the Shan State: The Question of Secession from the Union of Burma", *Journal of Asian Studies*, vol. 18, no. 1 (November 1958).

⁹ Ibid.

¹⁰ The Panglong Conference brought together the interim Burmese government and representatives of upland ethnic communities (including the Shan), who agreed to join a federal Union of Burma, facilitating speedy independence from Britain. The right of secession was also granted to Karenni (Kayah) State; other ethnic leaders at Panglong gave up the right, in return for other concessions, or were never offered it. See Silverstein, "Politics in the Shan State", op. cit.; and Sai Aung Tun, *History of the Shan State: From Its Origins to 1962* (Chiang Mai, 2009).

¹¹ Martin Smith, *Burma: Insurgency and the Politics of Ethnicity*, 2nd edition (London, 1999).

troops, who were fleeing China after being defeated by the communist People's Liberation Army, further destabilised the area.¹²

General Ne Win's 1962 coup ended all hope of autonomy. The putsch was justified within military circles, at least in part, by fears that Shan State might exercise its right to secede, even if the stringent constitutional requirements made such an outcome unlikely.¹³ Shan leader Sao Shwe Thaik – Burma's first president – was arrested and died in prison, intensifying Shan grievances. His wife, "Mahadevi" Sao Nang Hearn Kham, fled to Thailand and helped unify several Shan insurgent groups into a single entity, the Shan State Army, which gained popular and elite support across the state.¹⁴ As other non-Shan armed groups formed along ethnic and ideological lines – including a Ta'ang rebellion that evolved into today's TNLA – competition over territory and resources fragmented the state's conflict landscape.¹⁵ Overstretched, the military armed local proxies who often relied on opium production for funding, contributing to a flourishing illicit economy.¹⁶

In the late 1960s, China increased support for the Communist Party of Burma (CPB), which had taken up arms against the central government shortly after independence. Its strongholds had been in the middle of the country, but with new Chinese resources it launched a successful offensive from Chinese territory into Shan State and absorbed several border-based ethnic armies, including in the Wa and Kokang areas.¹⁷ Though some groups, including the Shan State Army, opposed the communists, others aligned with them tactically for access to weapons. The strength of CPB forces made it increasingly difficult for the Shan insurgents to resist their expansion into central and northern parts of the state. Following fierce battles in the early 1970s, the Shan State Army split in 1976, with a northern faction joining the CPB and a southern one remaining anti-communist – but severely weakened.¹⁸

That southern faction was soon targeted by a powerful Shan-Chinese opium warlord, Khun Sa, whose private army overran its headquarters in 1983 and consolidated control of much of the territory along the

¹² Bertil Lintner, *Burma in Revolt: Opium and Insurgency since 1948* (Bangkok, 1994).

¹³ See Mary Callahan, *Making Enemies: War and State Building in Burma* (Ithaca, 2003), ch. 7; and Silverstein, "Politics in the Shan State", op. cit. Ne Win abrogated the 1947 constitution following the coup, removing the possibility of secession, and that provision was not included in subsequent constitutions (1974 and 2008).

¹⁴ Smith, *Burma*, op. cit., pp. 220, 333.

¹⁵ For detailed discussion of how ethnic armed group competition plays out in contemporary Myanmar, see Crisis Group Asia Report N°312, *Identity Crisis: Ethnicity and Conflict in Myanmar*, 28 August 2020. On the history of the TNLA, see Crisis Group Report, *Treading a Rocky Path*, op. cit.

¹⁶ Crisis Group Asia Report N°299, *Fire and Ice: Conflict and Drugs in Myanmar's Shan State*, 8 January 2019.

¹⁷ Smith, *Burma*, op. cit.

¹⁸ *Ibid.*, ch. 16.

Thai border.¹⁹ The Shan State Army collapsed, and Khun Sa went on to form the Mong Tai Army (MTA) in 1985. Though it adopted Shan nationalist rhetoric, the MTA had mostly ethnic Chinese leaders and functioned primarily as a drug trafficking militia, with some 20,000 fighters at its peak.²⁰

A turning point came in 1989, when the CPB's ethnic minority fighters mutinied against its leadership – made up predominantly of Burman intellectuals – precipitating the group's collapse. Its former troops reorganised into new armed groups along ethnic lines, including the UWSA (Wa), the MNDA (Kokang), the National Democratic Alliance Army or “Mongla group” (Shan and Akha) and the Shan State Progress Party or SSPP (Shan).²¹ The military government quickly offered cease-fires in return for recognition of these groups' control of large territories, giving them a free hand to engage in economic activity, both licit and illicit.²²

The drug trade then entered a new phase of competitive violence, with the UWSA challenging Khun Sa's monopoly on heroin exports and moving against MTA bases in eastern and southern Shan State.²³ The military regime allowed the UWSA to send troops south, on the understanding that it could take control of any territory it managed to conquer.²⁴ The UWSA eventually seized a large area to the west of Tachileik and, in a draconian social engineering project, from 1999 to 2002 forcibly relocated some 100,000 Wa civilians there from their northern homeland, while expelling ethnic Shan and Lahu residents.²⁵

The UWSA's offensive, combined with other military defeats, Thai efforts to curtail the group's trafficking and internal disillusionment with Khun Sa's failure to pursue a Shan nationalist agenda, led the MTA to collapse; Khun Sa surrendered in January 1996 and retired in Yangon.²⁶ A disaffected faction of Shan nationalists in the MTA refused to surrender and formed the Restoration Council of Shan State (RCSS), which remains active today.²⁷

¹⁹ Ibid.

²⁰ Lintner, *Burma in Revolt*, op. cit., appendix 3.

²¹ Smith, *Burma*, op. cit., ch. 18. The SSPP consisted of the northern faction of the Shan State Army. The name itself dated back to 1971, when it was first adopted for the insurgency's political wing.

²² See Kevin Woods, “Ceasefire Capitalism: Military-Private Partnerships, Resource Concessions and Military-State Building in the Burma-China Borderlands”, *Journal of Peasant Studies*, vol. 38, no. 4 (September 2011).

²³ Crisis Group Report, *Fire and Ice*, op. cit.

²⁴ Tom Kramer, *The United Wa State Party: Narco-Army or Ethnic Nationalist Party?* (Washington, 2007).

²⁵ Ibid.

²⁶ Maung Pho Shoke, *Why Did U Khun Sa's MTA Exchange Arms for Peace* (Yangon, 1999).

²⁷ Until 2000, the group was known as the Shan United Revolutionary Army.

Later that year, the Myanmar military launched operations aimed at preventing the RCSS from consolidating control of the central Shan State heartland. Over the following six years, in addition to combat operations, the military forcibly displaced some 300,000 Shan villagers to military-controlled relocation sites as part of its “four cuts” counter-insurgency strategy; many chose to flee to Thailand instead.²⁸ The displacement and accompanying human rights abuses had a grave, enduring impact on the Shan, leaving deep scars that still shape attitudes toward armed struggle.

C. *Contemporary Relevance*

Shan State has historically had a pivotal role in shaping Myanmar’s political, economic and security trajectory. Its agricultural and mineral wealth, together with its position as the country’s principal overland trade conduit to China, give it national economic weight. The Mandalay-Muse corridor alone accounted for around half the country’s recorded border trade before the 2021 coup. Since then, conflict along the route and partial border closures have sharply disrupted the flow of goods.²⁹ The state is also a key node in Myanmar’s illicit economy, with significant regional and global ramifications. Following the Taliban’s opium ban in Afghanistan, it is once again the world’s primary source of heroin and a leading centre of synthetic drug production, particularly of methamphetamine and ketamine, much of which is trafficked across Asia and the Pacific.³⁰ Parts of the state have also become hubs for unregulated casinos, online scam operations and other forms of transnational organised crime.³¹ Revenues from illicit and licit economies are essential for sustaining armed groups and fuel competition over strategic territory.

Against this backdrop, Shan State has become one of the most fought-over parts of the country. Since the coup, several ethnic armed groups have significantly expanded their territory (see Section III.A below). The two main Shan forces – the SSPP and RCSS – continue to assert competing claims to represent ethnic Shan interests. But large parts of

²⁸ “Charting the Exodus from Shan State: Patterns of Shan Refugee Flow into Northern Chiang Mai Province of Thailand, 1997-2002”, Shan Human Rights Foundation, 2003. The “four cuts” strategy aims to deny insurgents four essentials – food, funds, intelligence and recruits – and deliberately targets civilians on the grounds that they are a key support base for rebellion. For details, see Smith, *Burma*, op. cit., pp. 288ff.; and Maung Aung Myoe, “Military Doctrine and Strategy in Myanmar”, Strategic and Defence Studies Centre, 1999, p. 10.

²⁹ Myanmar Ministry of Commerce trade data, 2019 and 2024. A large proportion of border trade is undeclared or misreported to Myanmar customs.

³⁰ See Crisis Group Report, *Fire and Ice*; op. cit.; “Myanmar Opium Survey 2024: Cultivation, Production, and Implications”, UNODC, December 2024; and “Synthetic Drugs in East and Southeast Asia: Latest Developments and Challenges”, UNODC, May 2025. On Afghanistan, see Crisis Group Asia Report N°340, *Trouble in Afghanistan’s Opium Fields: The Taliban War On Drugs*, 12 September 2024.

³¹ See Crisis Group Briefing, *Scam Centres and Ceasefires*, op. cit.

the state are now controlled by powerful non-Shan armed groups, including the UWSA, TNLA, MNDAA and Kachin Independence Army (KIA).³² These groups' infringement upon Shan heartlands has fuelled local resentment and heightened inter-ethnic tensions.³³ Some of these groups – particularly those that emerged from the CPB – have long had close ties to China.

For Myanmar military leaders, these dynamics play into longstanding strategic anxieties. As mentioned, the possibility of Shan State seceding was part of the military's justification for the 1962 coup, and the perceived risk of losing control of the state remains, in the view of many in the officer corps, an existential threat to the Union.³⁴ Several current top generals spent their formative years fighting the China-backed CPB in Shan State, an experience that reinforced their perception of Chinese-supported armed groups as particularly dangerous.³⁵ Today, that sense manifests as determination to wrest back control of the Mandalay-Muse corridor from these groups, which the military sees as essential to safeguarding both national sovereignty and its own authority. Crucially, it now has in China a powerful international partner that has the same objective – and the ability to shape outcomes in this theatre given its influence over the regime and several of the state's most prominent armed groups (see Section III.B below).

III. A Shifting Post-coup Power Balance

A. *Non-Shan Armed Groups Expand Control*

The 2021 coup and the armed resistance movement that it triggered fundamentally altered Shan State's conflict equilibrium. For decades, the Myanmar military was the strongest armed actor in the state. While it was unable to fully establish its writ, its presence prevented any of the ethnic armed groups from becoming dominant, and its shifting alliances with various groups and militias shaped the contours of the conflict and the pattern of non-state territorial control. But after the coup, stretched thin and with morale slipping, the military started to lose ground.³⁶

³² See Crisis Group Briefing, *Myanmar's Dangerous Drift*, op. cit., Section III.B.

³³ Crisis Group interviews, residents, civil society leaders and analysts, Shan State, July-September 2025.

³⁴ Crisis Group interview, Myanmar historian, August 2025.

³⁵ Ibid. For example, Min Aung Hlaing was an intelligence officer during a 1979 military operation against the CPB in Matman township in northern Shan State, and later led a major military operation in Kokang in 2009 against the MNDAA, which has always had close connections to China. See "Min Aung Hlaing's putsch", *The Irrawaddy*, 17 February 2015; and "Behind the boasts, Myanmar's junta boss is a superstitious mediocrity", *The Irrawaddy*, 13 March 2024.

³⁶ See Crisis Group Briefings, *Ethnic Autonomy and Its Consequences and Myanmar's Dangerous Drift*, both op. cit.

As a result, armed groups that had relied on its backing against more powerful rivals were left exposed. These included forces that had signed ceasefires with the military, such as the RCSS, and large militias that had long been engaged in (mostly illicit) business.³⁷ Prior to the coup, the RCSS had pushed into central and northern Shan State, using its ceasefire and tactical understandings with the military to bolster its position.³⁸ After the coup, it misread the shifting balance of power and attempted to push farther on its northern flanks, assuming the Myanmar military would continue to restrain its rivals.³⁹ But, with new fronts opening in various parts of the country, including an unprecedented armed uprising in Burman-majority areas, regime forces were overstretched and no longer able to do so.

These developments created space for both the SSPP and the TNLA to counter RCSS advances. The UWSA, long a rival of the RCSS and its anti-communist antecedents, covertly provided weapons and fighters to both groups.⁴⁰ By early 2022, the RCSS had begun retreating from Hsipaw and Kyaukme townships, and by March, the SSPP and its allies had pushed the group out of most northern and central parts of the state, forcing it to withdraw to its redoubts in the south and east, along the Thai border.⁴¹

At the end of October 2023, the Three Brotherhood Alliance – made up of the MNDAA, TNLA and Arakan Army – launched Operation 1027 (so named because it commenced on 27 October), overrunning key Myanmar military positions in northern Shan State.⁴² Several of these were Shan-majority towns, including Hsipaw, Kyaukme and Namhkam, seized by the TNLA, and Hseni, taken by the MNDAA. The SSPP, which had mostly stuck to its pre-coup ceasefire with the military, did not participate in Operation 1027, and although in some areas it benefited strategically and territorially from both the Three Brotherhood Alliance’s ouster of the Myanmar military and the weakening of the RCSS, it did not take control of any towns; it was also squeezed out of some of its traditional strongholds by MNDAA and TNLA expansion. Non-Shan armed groups were left holding most of northern Shan State, leading to military tensions and community discontent, as the groups imposed exclusionary administrations, lev-

³⁷ For background, see Crisis Group Report, *Fire and Ice*, op. cit.

³⁸ Crisis Group interviews, Shan analysts, July-September 2025. See also “Restoration Council of Shan State (RCSS)”, Institute for Strategy and Policy-Myanmar, 20 August 2025.

³⁹ Crisis Group interviews, Shan analysts, July-September 2025.

⁴⁰ Ibid.

⁴¹ Ibid. See also “The Advance and Retreat of a Shan Army”, Transnational Institute, 3 May 2022.

⁴² See Crisis Group Briefing, *Ethnic Autonomy and Its Consequences*, op. cit., Section II. The Arakan Army was formed in Kachin State, and it has long had units stationed there and in northern Shan State, but since 2019 its main theatre of operations has been in Rakhine State in western Myanmar.

ied taxes and conscripted young men into their ranks (see Section IV below).

In southern Shan State, a non-Shan armed group, the Pa-O National Organisation (PNO), is also expanding into majority-Shan areas.⁴³ The group has a longstanding alliance with the Myanmar military, which has given it the latitude to exert tight political and security control of the Pa-O Self-Administered Zone for years.⁴⁴ With its rivals now weakened – particularly the RCSS – it is moving into new areas in Pekon township and around Inle Lake.⁴⁵ Shan residents worry about coming under the group’s thumb, and Shan civil society and media organisations say it is intimidating them.⁴⁶ There has been no fighting between the PNO and RCSS so far, and the two groups are reportedly sharing natural resource revenues and cooperating in illicit business, but there is territorial overlap that could lead to clashes.⁴⁷

Regime forces have reclaimed some of the areas lost to the Three Brotherhood Alliance – including Nawnghkio in mid-July, Kyaukme on 1 October and Hsipaw on 17 October – and may manage to retake additional towns along the Mandalay-Muse highway. But the coup and subsequent opposition successes have profoundly shifted Shan State’s conflict map. The result is a fluid, unsettled landscape in which a new balance of power is unlikely to stabilise without further violent confrontation among the various armed protagonists.

B. *China’s Strategic Realignment*

China has long been the most influential external actor in Shan State, cultivating relationships with both ethnic armed groups and the Myanmar military. It thus has historically had the leverage to manage problems when they arise – limiting conflict that could spill across its border or create refugee inflows, as well as protecting bilateral trade and Chinese investments.⁴⁸ But the military’s decline after the coup forced Beijing into a more active role.

China greenlighted the Three Brotherhood Alliance’s Operation 1027 in late 2023, seeing the offensive as a way to punish the military-

⁴³ Crisis Group interviews, Shan civil society leaders and analysts, July-September 2025.

⁴⁴ The 2008 constitution delineates five self-administered areas in Shan State, for the Danu, Pa-O, Ta’ang, Kokang and Wa. These have very limited de jure devolved powers, but the armed groups that control these enclaves have taken full de facto control, often extending beyond the constitutionally defined boundaries. The exception is the Danu, who have not historically had a powerful armed group.

⁴⁵ Crisis Group interview, Shan analyst from central Shan State, August 2025.

⁴⁶ Crisis Group interviews, Shan civil society leaders and analysts, July-September 2025.

⁴⁷ Crisis Group interview, Shan analyst from central Shan State, August 2025.

⁴⁸ See Crisis Group Asia Report N°305, *Commerce and Conflict: Navigating Myanmar’s China Relationship*, 30 March 2020.

aligned Kokang Border Guard Force, and Naypyitaw itself, for failing to curb rampant cyberscams that were both trafficking and targeting Chinese citizens.⁴⁹ But it made clear to the MNDA that it expected the group to halt after retaking historical MNDA territory – the Kokang enclave along the border, from where many of these scam centres were operating.

Instead, the groups pressed ahead with a second phase of operations in 2024, advancing into Shan-majority towns and pushing toward central Myanmar. The mid-2024 capture of Lashio town (significant because it is the largest town in northern Shan and hosted a key military headquarters) and the regional command located there crystallised these concerns for Beijing, especially as there was talk of the TNLA and its allies preparing to move on Mandalay, the country's second largest city, which lies over the Shan State line in Mandalay region. China believed the regime itself might be only months from collapse.⁵⁰

Alarmed by the possibility of a power vacuum on its doorstep, and uncertain about what forces might emerge to fill it, Beijing recalibrated. It moved to shore up the regime, offering it diplomatic and material support while simultaneously pressing the MNDA and TNLA and some of their allies to end the fighting and withdraw from towns seized in the second phase of Operation 1027.⁵¹ The UWSA in particular – a key source of arms and ammunition for the Three Brotherhood Alliance and its allies – came under intense scrutiny from Beijing: China froze UWSA-linked assets, imposed border restrictions and demanded that the group cut off supply of weapons to other groups.⁵² China also made clear that it wanted to reopen the trade route from Mandalay to Muse.

The impact of this pressure quickly became evident. In April 2025, the MNDA handed back control of Lashio town to regime forces in a deal brokered and observed by China.⁵³ Then, in July, the TNLA withdrew from Nawngkhio in the face of a Myanmar military offensive, opting not to make a stand in the town.⁵⁴ At China-mediated peace talks between the regime and the TNLA in Yunnan in late August, the group offered to withdraw from Hsipaw and Kyaukme towns in return for a ceasefire, but the regime insisted that the group give up all its new conquests, leading to deadlock.⁵⁵ The regime then launched a ma-

⁴⁹ See Crisis Group Briefing, *Scam Centres and Ceasefires*, op. cit.

⁵⁰ See Crisis Group Briefing, *Myanmar's Dangerous Drift*, op. cit., Section II.A.

⁵¹ Ibid.

⁵² Crisis Group interviews, Shan analysts, July-September 2025. See also "Under Chinese pressure, Myanmar's UWSP cuts off support to allied ethnic armies", *The Irrawaddy*, 21 August 2025.

⁵³ See Crisis Group Briefing, *Myanmar's Dangerous Drift*, op. cit.

⁵⁴ Crisis Group interviews, Shan analysts, July-September 2025.

⁵⁵ Ibid.; and "China increases the pressure", *Frontier Myanmar*, 21 September 2025. In addition to Hsipaw and Kyaukme, those conquests include Namtu, where the group has established its new military headquarters and which is home to a

lor assault, reclaiming Kyaukme on 1 October and Hsipaw, the next town along the highway, on 17 October.⁵⁶ On 29 October, the TNLA announced that it had reached a ceasefire agreement with the regime following two days of China-brokered talks; the group will give up control of Mogoke and the nearby town of Momeik, but hang on to other areas it has seized, while the regime agreed to halt strikes on the group.⁵⁷

With its intervention, China has in effect assumed the key broker role in the conflict in Shan State that the Myanmar military had played for decades – seeking to manage the balance of power between armed groups and limit destabilising fighting, while preserving a weakened central authority in Naypyitaw that serves Beijing’s interests. Yet this gambit, while it has brought a degree of stability to border areas, comes with costs and risks, since Beijing’s more overt support for the regime has set Myanmar public sentiment more firmly against China. It has also frozen a fragmented and unstable status quo, in which non-Shan groups are occupying what has traditionally been Shan territory.⁵⁸

C. *Evolution of Shan Politics*

In recent decades, Shan political actors have struggled to find unity in the face of a constantly evolving political and conflict landscape. In the mid-1990s, the Shan Nationalities League for Democracy (SNLD), a political party, came together with the SSPP to form the Shan State Joint Action Committee (SSJAC), in order to coordinate political and armed activities.⁵⁹ The SNLD took the main responsibility for politics and the SSPP for security. The SNLD, particularly its chairperson Khun Tun Oo – who died in 2022 – helped articulate a vision of a multi-ethnic Shan State as part of a future federal union. He also tried to forge cooperation and consensus among the state’s ethnic communities.⁶⁰

globally significant lead-silver deposit (the Bawdwin mine, currently shuttered); the ruby mining town of Mogoke; and the town of Namhkam on the Chinese border.

⁵⁶ “TNLA confirms surrender of Kyaukme town”, Democratic Voice of Burma, 3 October 2025 [Burmese].

⁵⁷ The TNLA will retain control of Namhsan, Namhkam, Mantong and Namtu, all of which it seized in the first phase of Operation 1027. See “Press release on the conclusion of the 9th meeting and the signing of a ceasefire”, TNLA News and Information Department, 29 October 2025 [Burmese].

⁵⁸ See “Myanmar’s Key Stakeholders and Their Perceptions of Sino-Myanmar Relations: A Survey, 2024”, ISP-Myanmar, August 2025.

⁵⁹ The SSJAC previously included another armed group, the Sein Kyawt militia, which was absorbed into the SSPP in September 2024. The militia had broken away from the SSPP in 2010, and prior to 2024, it played a useful role as an interlocutor with the military.

⁶⁰ Crisis Group interviews, Shan civil society leaders and analysts, July-September 2025.

In 2013, at a time of considerable momentum in the national peace process between the government and a range of ethnic armed groups, a broader Committee for Shan State Unity was formed, including armed groups, political parties and civil society organisations from various ethnic communities.⁶¹ This committee was founded on a principle of “peaceful coexistence” among Shan and non-Shan, reaffirmed in a manifesto it released in 2022.⁶²

But unity has proven elusive. There have been periodic clashes since 2016 between the two main Shan armed groups, the SSPP and RCSS, and the latter stopped working with the body in 2022, leaving non-Shan members disillusioned.⁶³ Tensions have also risen between Shan communities and non-Shan armed groups such as the TNLA and MNDAA as they have taken over Shan heartland towns and villages (see Section IV.B below). These have not so far translated into a major confrontation, but there has been sporadic shooting, and the risk of broader hostilities is high.

On the political front, the SNLD also finds itself in a difficult situation. It has taken a decision not to participate in the forthcoming elections, based on popular sentiment that they are not legitimate and an assessment that they cannot be fairly administered, prompting the regime’s election commission to deregister the party.⁶⁴ At the same time, a longstanding rift between the SNLD and Aung San Suu Kyi’s National League for Democracy has meant that Shan political leaders are not part of the National Unity Government (NUG) – the parallel administration created by lawmakers who were ousted in the 2021 coup.⁶⁵ Though they have been included in some anti-regime political initiatives, the Shan could find themselves with few voices in national-level discussions about the country’s future.⁶⁶ Despite the party’s dereg-

⁶¹ For details of the peace process at the time, see Crisis Group Asia Report N°214, *Myanmar: A New Peace Initiative*, 30 November 2011.

⁶² “Manifesto for Peaceful Coexistence”, Committee for Shan State Unity, 7 February 2022. This term dates to the 1960s formation of the Non-Aligned Movement (of which Burma was a founding member), which had it as one of its five core principles, and from where it entered the Shan political lexicon. Those principles were themselves taken from the “five principles of peaceful coexistence” set out in the 1954 Sino-Indian Agreement.

⁶³ Crisis Group interviews, civil society leaders and analysts, Shan State, July-September 2025.

⁶⁴ Union Election Commission Notification No. 5/2023, 28 March 2023. Public sentiment that the polls are illegitimate is based on the fact that they appear designed to provide a civilian veneer for military control of politics: the military ousted the popularly elected National League for Democracy government in the 2021 coup, incarcerated Aung San Suu Kyi and other leaders, and de-registered democratic parties.

⁶⁵ As the dominant pre-coup political force, National League for Democracy lawmakers dominate the NUG.

⁶⁶ For example, the SLND participated in drafting a parallel constitutional framework known as the Articles of Federal Transitional Arrangement, which was undertaken by armed groups and committees representing specific ethnicities or states.

istration, SNLD leaders continue to meet discreetly, and the regime has not so far moved to arrest them, though it could do so if they were to openly criticise the election or the Shan armed groups to start fighting the military.

China's posture further complicates the political landscape. Beijing has historically cultivated close ties with the UWSA, MNDAA, National Democratic Alliance Army and other non-Shan armed groups, but it has been more ambivalent toward Shan entities. The SSPP's historical links to the CPB and its current close relations with the UWSA have drawn it closer into China's orbit.⁶⁷ The RCSS, however, with a history of Thai and Western connections, has always been viewed with suspicion by Beijing, as was Khun Sa's MTA before it.⁶⁸ China also has limited and somewhat cautious interactions with the SNLD. While its diplomats do meet with party leaders, China prefers to deal with armed actors that control territory and can help safeguard its borders and economic interests.

For Shan political elites, China's predilection for cultivating non-Shan armed groups reinforces a sense of marginalisation. They are convinced that, in China's calculus, they are a secondary partner in their own state and therefore forced to accept a political order increasingly shaped by non-Shan entities.⁶⁹

The current circumstances serve to reinforce the exclusion of Shan women from the state's political life despite the central role they play at the community level. Though many women lead prominent civil society organisations, and are therefore on the front lines when it comes to dealing with conflict-induced displacement and the consequences of forced recruitment and taxation imposed by Shan and non-Shan groups, they are largely kept out of positions of political or military authority.⁷⁰ While some women serve as soldiers and party members, a few even in senior positions, they are largely overshadowed

⁶⁷ A concrete illustration of China's accommodation of the SSPP is its tacit recognition of an informal border crossing operated by the group in a small area it controls north east of Namhkam. Chinese authorities accept travel passes stamped by the SSPP's local border office for movement between this area and Yunnan. No comparable administrative recognition has been extended to the TNLA in border areas it controls.

⁶⁸ A former close associate of Khun Sa told Crisis Group that in 1993 the drug lord had tried to improve poor relations with China. The following year, he sent 10,000 troops to northern Shan State, convinced that he would be able to retake territory lost to the military and its allies. But China tipped off the Myanmar army, and the expedition ended in failure, contributing to his downfall a few months later. Crisis Group interview, former associate of Khun Sa, August 2025.

⁶⁹ Crisis Group interviews, Shan civil society leaders and analysts, July-August 2025.

⁷⁰ Crisis Group interviews, Shan women civil society leaders and politicians, July-August 2025.

owed by male leaders, whom they accuse of paying lip service to women's empowerment.⁷¹

A disconnect has thus emerged between Shan communities, where women are strong leaders, and the formal structures that shape Shan politics. The Mahadevi, who played a unifying leadership role in the 1960s (see Section II.C above), remains a revered figure among many Shan, but women civil society leaders whom Crisis Group spoke to lamented the fact that no woman since has been able to achieve such prominence.⁷²

IV. Shan Grievances and Rising Nationalism

A. Searching for the Shan Dream

Ethnicity and conflict are inextricably linked in Myanmar, driven by the country's inability since independence to address ethnic minority grievances and deep-seated military chauvinism.⁷³ Disillusioned by decades of predation or neglect by central authorities, many ethnic communities aspire to complete autonomy for their homelands. In 2017, one of the country's most powerful ethnic armed groups, the Arakan Army, branded its aspirational goals of quasi-independence the "Arakan dream"; it has since taken control of most of Rakhine State.⁷⁴ Other ethno-nationalist struggles, such as the TNLA's efforts to secure an autonomous Ta'ang homeland, are sometimes described in analogous terms.⁷⁵

Some Shan leaders, too, speak of a "Shan dream". The concept is referenced in the Committee for Shan State Unity's manifesto from 2022, which has a section entitled "dreams for the future", setting out a vision of an autonomous state characterised by diversity, non-discrimination and mutual respect for all ethnic communities.⁷⁶ But unlike some other ethnic struggles, the "Shan dream" is not couched in narrow ethno-nationalist terms, reflecting a longstanding political commitment by Shan leaders to geographic federalism and peaceful coexistence among Shan State's many ethnic groups (see Section III.C above).

The de facto autonomy of "Wa State", run by the UWSA, has long posed a challenge to these commitments. As the self-styled name suggests, the Wa seek their own state administered separately from Shan

⁷¹ Ibid.

⁷² Ibid.

⁷³ See Crisis Group Report, *Identity Crisis*, op. cit.

⁷⁴ See "Arakan Army: Dream in our heart – interview", video, YouTube, 6 May 2017; and Crisis Group Report, *Breaking Away*, op. cit.

⁷⁵ See, for example, "Ta'ang (Palaung) State Dream and Territorial Expansion", ISP-Myanmar, 23 January 2024.

⁷⁶ "Manifesto for Peaceful Coexistence", op. cit.

State, rather than an autonomous area within it. Shan leaders see this goal not only as something that would set an uncomfortable precedent, but also as a de facto endorsement of the UWSA's expulsion of Shan and other communities from the territory it transformed into its southern area in the early 2000s, and populated with ethnic Wa forcibly relocated from lands farther to the north (see Section II.B above).

Today, the ideal of an ethnically inclusive Shan dream is under unprecedented strain. Most Shan leaders still affirm the importance of achieving peaceful coexistence among ethnicities, but other ethnic armed groups appear to be emulating the Wa model, including by taking territory with Shan-majority populations. Thus, the TNLA is fighting to establish a "Ta'ang State" far larger than the self-administered zone delineated in the 2008 constitution, and the MNDAA seems intent on retaining control, at a minimum, of its historical territory – known as Special Region 1 – which is larger than Kokang's constitutionally designated zone.⁷⁷

Both groups are emulating the UWSA, not only in carving out entirely autonomous homelands from Shan State, but also in aspects of how they administer them, down to the identical colour schemes of their administrative departments and police uniforms.⁷⁸ Such things raise doubts as to whether they share the vision of joining a diverse, inclusive Shan State. The same is true of the PNO's expansion into majority-Shan areas in southern Shan State (see Section III.A above). China's backing for some of these non-Shan groups further undermines the prospects for a peaceful multi-ethnic political future in Shan State.

The difficulties are not only between Shan and non-Shan entities. Rivalries between the two Shan armed groups, the RCSS and SSPP, have led to sporadic deadly clashes in recent years (see Section III.A above). These continued despite efforts by civil society groups to broker a halt to hostilities in November 2023; renewed efforts at de-escalation in May 2025 have had some success, but the current truce is fragile.⁷⁹ Some confrontations have strategic significance, such as the SSPP taking advantage of the RCSS's post-coup vulnerability to expand into central Shan State – a traditional heartland of Shan identity and insurgency – with the acquiescence of regime forces.⁸⁰ Others, however, appear to arise from petty resource disputes. For example, in January 2025 the two sides clashed over small-scale tax revenue from a coal

⁷⁷ See Crisis Group Briefing, *Treading a Rocky Path*, op. cit.; and "China increases the pressure", *Frontier Myanmar*, 21 September 2025.

⁷⁸ Crisis Group interview, Shan analyst who has recently travelled in these areas, August 2025.

⁷⁹ See "SSPP versus RCSS: Shan unity talk resurfaces again but will it work?", Shan Herald Agency for News, 17 May 2025.

⁸⁰ For example, the SSPP seized RCSS camps in Laikha township in early 2022, with nearby regime forces agreeing not to interfere. Crisis Group interviews, Shan analysts, July-August 2025.

mine in Nansang township, trading drone strikes that forced villagers in the area to flee.⁸¹ The SSPP's dependence on the powerful UWSA – an arch-rival of the RCSS – further militates against any prospect of rapprochement between the two Shan groups.⁸²

More broadly, many Shan people lament the lack of strong Shan political leadership and unity. Members of Shan civil society whom Crisis Group spoke to, especially young people, expressed frustration and disillusionment with the current dispensation. Shan youth are proud of their history, but they see few prospects for political renewal, contrasting their disunited leadership with what they see as more dynamic, charismatic and visionary figures driving other ethnic movements such as the Kachin, Rakhine or Ta'ang.⁸³

Yet some Shan analysts and civil society leaders feel that unity is an elusive goal. They caution that calls for it may be unrealistic, given that Shan politics has historically been marked by localism, going back to the colonial and pre-colonial periods when the state was a collection of separate self-governing principalities, each ruled by a *sawbwa* intent on preserving the area's autonomy (see Section II.B above).⁸⁴ This fragmented political geography inhibited the emergence of a unified polity, a situation reinforced first by colonial indirect rule and later by military authoritarianism, both of which stifled attempts to forge a common political project. Today, these historical divisions are reinforced by starkly different local realities: the northern borderlands are shaped by strong Chinese influence; eastern Shan State is dominated by the Wa and proximate to Thailand; and central and southern areas, long the heartland of Shan nationalism, are facing economic and political decline. These divergent circumstances make it difficult to articulate a single, cohesive Shan political blueprint.

The risk is that frustration with this fragmentation, combined with encroachment by non-Shan armed groups, could erode the longstanding Shan ethos of peaceful coexistence, fuelling a more defensive and exclusionary form of Shan nationalism.

⁸¹ "RCSS and SSPP clash near village in southern Shan State's Namsang township amid dispute over territory where coal is mined", Shan Herald Agency for News, 10 January 2025 [Burmese].

⁸² Crisis Group interview, Shan civil society leader, September 2025.

⁸³ Crisis Group interviews, Shan civil society leaders and analysts, July-September 2025. In addition to two armed groups, there are also two Shan political parties: the SNLD and the Shan Nationalities Democratic Party. The latter, however, has limited political support and only won national parliamentary seats in 2010, when the SNLD boycotted; it has re-registered for the forthcoming elections as the Shan and Ethnic Democratic Party.

⁸⁴ Crisis Group interviews, Shan civil society leaders and analysts, July-September 2025.

B. *Current Grievances*

The post-coup transformation in the political and conflict landscape, particularly the rise of non-Shan armed groups, has triggered acute security, economic and cultural grievances among the Shan, as well as concern about what their own leaders are doing to address the underlying problems. The grievances will not automatically translate into armed conflict, but the risks are increasing.

1. Security and protection

Encroachment by non-Shan armed groups into Shan-majority areas – for example, TNLA control of Namhkam and (until recently) Kyaukme and Hsipaw, and MNDAA control of Hseni – has led to daily life becoming more precarious for Shan residents. In addition to the insecurity arising from regular attacks on their areas by the Myanmar military, they sometimes also face abusive or exploitative interactions with these armed groups. Those interactions are often characterised by mutual distrust or miscommunication, exacerbated by language and culture barriers, as well as poor training and discipline among fighters.⁸⁵ Having battled to take these towns, fighters often act as though they have earned the right to control them, locals say – yet for many Shan residents they are unfamiliar outsiders whose behaviour evokes the authoritarianism of the military regime they ousted.⁸⁶ If locals complain too much, they can be detained – sometimes even accused of being regime informants – and families say the armed groups give them no information on their relatives' whereabouts.⁸⁷

Shan civil society leaders in TNLA- and MNDAA-controlled areas noted that fighters are often billeted in or near locals' houses, putting civilians at risk of regime airstrikes.⁸⁸ A Shan youth leader in Kyaukme recalled that as regime airstrikes on the township increased, people asked TNLA fighters to relocate away from civilian areas, only to be told that if they felt unsafe, they would have to move themselves.⁸⁹ Shan leaders were particularly aggrieved by the fact that it was Shan towns, rather than the armed groups' headquarters, that were bearing the brunt of airstrikes.

Forced recruitment is another common complaint among Shan residents. While the TNLA more commonly recruits from among the Ta'ang, the MNDAA has cast a wider net, given the smaller pool of potential Kokang enlistees.⁹⁰ In Shan areas that it now controls, it

⁸⁵ Crisis Group interviews, residents and civil society leaders, northern Shan State, July-September 2025.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ Crisis Group interview, Shan youth leader, Kyaukme, August 2025.

⁹⁰ Ibid. Not only are the Kokang fewer in number and more geographically concentrated than other ethnic groups in the state, but they also tend to have higher

typically requires each village to offer up twelve fighters for its ranks. Some of these are volunteers, since unlike many armed groups, the MNDAA provides a monthly salary, and there are often spoils of war or other benefits, including in terms of social status. But if a village cannot meet its quota with volunteers, it must send unwilling recruits; villagers often select drug addicts – either as punishment or in the hope of rehabilitation. Armed groups also inflict severe punishment on those who attempt to desert – and if deserters cannot be found, their families are required to provide a replacement, including girls and boys as young as sixteen if no adult is available.⁹¹

Shan communities are also frustrated that the SSPP and RCSS do little to protect them. They accuse both Shan groups of focusing on taxation, illicit profiteering (see below) and inter-group rivalries rather than defending Shan-majority areas from external encroachment and abuse. They note that when the TNLA and MNDAA expanded into historically Shan towns in 2024, Shan armies offered little resistance, leaving people to face forced recruitment, arbitrary taxation and displacement on their own.⁹² The SSPP's own recent conscription drive – for its regular forces as well as village-based militias (see Section IV.C below) – has done little to allay these concerns, with Shan viewing it as an additional burden rather than a form of security.⁹³ As a woman social worker put it: “They tax us, and then they also take our sons”.⁹⁴ A youth activist told Crisis Group that Shan civilians suffer the consequences of their leaders' passivity: caught between predatory outsiders and Shan armed leaders who range from disengaged to brutal, they feel acutely vulnerable.⁹⁵

2. Economy and livelihoods

Economic grievances feature prominently in accounts of life under both Shan and non-Shan armed groups. Multiple taxation occurs regularly: given the fragmentation of territorial control, farmers and traders often face uncoordinated demands from several armed groups operating in the vicinity. The region's large-scale farmers, who are predominantly Shan, are disproportionately affected. On the 45-minute drive from Hseni to Kutkai, for example, they must pay fees at four separate checkpoints – two controlled by the MNDAA and one

socio-economic status, as the Kokang are ethno-linguistically Chinese and can integrate more easily into the regional Chinese economy. Kokang youth are therefore less willing to sign up as fighters.

⁹¹ Crisis Group interviews, Shan civil society leaders, political representatives and analysts, July-September 2025.

⁹² Ibid.

⁹³ Ibid.

⁹⁴ Crisis Group interview, social worker, Kyaukme, August 2025.

⁹⁵ Crisis Group interview, Shan youth leader, Kyaukme, August 2025.

each by the KIA and TNLA.⁹⁶ Armed groups also levy annual contributions on communities as well as vehicle registration taxes, municipal “garbage collection” fees and taxes on shops and businesses.⁹⁷ Residents say the burden is impossible to sustain in the wake of COVID-19’s reverberating shocks, the closure of the Mandalay-Muse trade route and the ravages of war upon the local economy.⁹⁸

Looting of public and private assets compounds the frustration. After the MNDAA seized Lashio in 2024, for example, its forces stripped the general hospital of high-value medical equipment, carting it off to Hseni and Laukkaing.⁹⁹ Similar patterns were reported in smaller towns, where armed groups moved machinery, private vehicles and other assets back to their strongholds after taking control. In Hseni, the MNDAA has also seized the land of farmers who fled during clashes and have failed to return, growing cash crops or leasing it to private companies for that purpose.¹⁰⁰

Perceptions of partisanship add to tensions. Non-Shan groups have sometimes sought to steer economic activity along ethnic lines: in TNLA-held towns, for example, the group has reportedly urged Ta’ang people to patronise only Ta’ang-owned shops, stoking resentment among Shan merchants.¹⁰¹ Taxation and livelihood pressures intersect with broader concerns about exclusion and identity, heightening Shan feelings of economic as well as political marginalisation. In Hseni and Lashio, the MNDAA facilitated the entry of Chinese businesses who out-competed local entrepreneurs, and in some cases awarded them tenders for large projects, such as the redevelopment of the Hseni central market, destroyed in regime airstrikes.¹⁰² When the MNDAA gave Lashio back to the regime, Chinese businesses that they had introduced continued to run.

A particularly worrying trend resulting from these developments is the growing social conflation of ethnicity with armed group affiliation – failing to distinguish between Ta’ang people and the TNLA, for instance, or between Shan people and the SSPP or RCSS. This increasingly widespread perception risks stigmatising civilians based on iden-

⁹⁶ Crisis Group interview, Shan analyst who has recently travelled in these areas, August 2025.

⁹⁷ Ibid.

⁹⁸ Ibid.

⁹⁹ Ibid.

¹⁰⁰ Crisis Group interviews, Shan civil society leaders and analysts, July-September 2025.

¹⁰¹ Crisis Group interview, Shan civil society leader, August 2025.

¹⁰² Crisis Group interview, Shan analyst who has recently travelled in these areas, August 2025. See also “‘Unable to compete’: Northern Shan faces wave of Chinese investment”, *Frontier Myanmar*, 13 August 2025.

tity, fuelling intercommunal suspicion and heightening the danger of reprisals.¹⁰³

While abuses against civilians by non-Shan armed groups are liable to be framed in ethnic terms, Shan residents are also highly critical of the SSPP and RCSS, for levying unaffordable levels of taxation while their commanders also make large profits from exploiting natural resources and engaging in illicit activity. In addition to longstanding complaints of involvement in the drug trade, civil society leaders and local analysts now also accuse SSPP forces of shielding scam operations in their areas; some have reported cases of enslaved scam workers who have escaped being captured, either to be returned to the centres or to be sold to other criminal gangs.¹⁰⁴

3. Politics, culture and identity

For many Shan people, the encroachment of non-Shan armed groups is not just a security or economic issue, but also a cultural one. Residents describe being excluded from newly created administrations in towns such as Namhkam, Kyaukme (recently reclaimed by the military) and Hseni, where Shan are passed over for recruitment in favour of Ta'ang, Kokang or outsiders from central Myanmar.¹⁰⁵ In some cases, Shan civil servants were replaced by members of the Civil Disobedience Movement – which arose to resist the 2021 coup and faced brutal repression – resettled from Mandalay.¹⁰⁶ Such changes leave Shan residents feeling left out of decision-making in towns where they make up the majority.¹⁰⁷

Symbolic acts reinforce this sense of dispossession and cultural imposition. Both the MNDA and TNLA have angered Shan residents by renaming townships in ways that erase their historical identity: Hseni, for instance, is now referred to by the MNDA as “Muban County”, a Chinese name, while the TNLA has designated Kutkai as part of its “Thanlwin District”.¹⁰⁸ Administrative signage and official notifications in TNLA-run areas are issued in the Ta'ang language (and sometimes also English and Burmese), but not Shan, leaving locals unable

¹⁰³ Crisis Group interview, Shan analyst who has recently travelled in these areas, August 2025.

¹⁰⁴ Crisis Group interviews, Shan residents, civil society leaders and analysts, July–September 2025. See also “SSPP deploys recruits for security at online scam businesses in southern Shan State’s Mongkaing township, say residents”, *Shwe Phee Myay*, 17 September 2025 [Burmese]. Crisis Group made several attempts to contact SSPP for a response, but without success.

¹⁰⁵ Crisis Group interviews, Shan residents, civil society leaders and analysts, July–September 2025.

¹⁰⁶ Ibid. The Civil Disobedience Movement was a strike by government employees – such as civil servants, teachers and medical staff – following the coup; most refused to return to work and were sacked by the regime.

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

to deal with the bureaucracy.¹⁰⁹ In some of these areas, students – most of whom are Shan – are required to adopt Ta’ang school uniforms and curricula. In MNDA-controlled areas such as Hseni, administrations are more ethnically diverse – though almost exclusively made up of men – but the group has angered Shan residents by forcing businesses to use Mandarin signage.¹¹⁰

These practices have heightened anxieties about cultural erosion. Community leaders lament a decline in Shan literature and art, while residents in Hsipaw and Hseni view the rebranding of towns with centuries-old histories under Shan *sawbwa* as a symbolic loss of heritage.¹¹¹ In February, the TNLA removed Shan iconography from the entry arch to Hsipaw, replacing it with Ta’ang motifs, prompting condemnation from the SSJAC – which noted that this incident was the latest in a series of similar ones.¹¹²

Not all developments have been negative, however. In Lashio, for example, Shan residents were happy that the MNDA authorised renovation of the *haw* – the traditional palace of the Shan *sawbwa*, seen as an important monument – when the town was under its control. The authorities in Naypyitaw had never permitted such a thing.¹¹³ An MNDA-controlled media outlet also announced in October that the group is expanding Burmese language classes for its police officers in Hseni to improve communication with residents.¹¹⁴

C. *Rising Nationalism and Escalation Risks*

Shan civil society leaders and youth activists describe growing frustration at stagnant leadership and a sense that Shan identity, land, and culture are under siege.¹¹⁵ Some express despondency: fed up with 70 years of conflict, they prefer to focus on securing their livelihoods, with many aspiring to migrate to Thailand for work rather than to fight. Indeed, economic pressure and fear of being conscripted are driving what some observers describe as the second major contemporary wave of Shan migration to Thailand.¹¹⁶

¹⁰⁹ Ibid.

¹¹⁰ Ibid. That is, Mandarin only, or Burmese with a Mandarin translation.

¹¹¹ Ibid.

¹¹² “SSJAC strongly condemns replacement of Shan symbol with Palaung symbol at Hsipaw town entrance”, *Eleven Myanmar*, 12 February 2025.

¹¹³ Crisis Group interview, Shan analyst who has recently travelled in these areas, August 2025. Renovation work had not yet commenced when Lashio was handed back to the regime, and the military’s prior rejection of such projects suggests that it is unlikely to proceed.

¹¹⁴ Most MNDA officers are Kokang, who speak Mandarin as their first language. “Daily News Summary”, *The Kokang*, 26 October 2025 [Burmese].

¹¹⁵ Crisis Group interviews, Shan civil society leaders and analysts, July–September 2025.

¹¹⁶ The first wave being in 1996–2002 (see Section II.B above). Crisis Group interview, Shan analyst, September 2025.

Others are more combative. In towns such as Kyaukme, Hsipaw, Hseni and Namhkam, younger Shan in particular are more commonly speaking of the need to defend their communities by force.¹¹⁷ They argue that their leaders' passivity has been ineffective in protecting the Shan from post-coup conflict, and that since war has come anyway, it is better for them to fight for their homeland. The widespread and acute grievances among Shan discussed above mean that there is a lot of dry tinder, such that if a nationalist or populist Shan leader were to emerge, support could rapidly coalesce, challenging the longstanding ethos of peaceful coexistence among Shan State's many ethnic groups.

At present, however, rising nationalist sentiment among the Shan people has no effective outlet. The RCSS and SSPP are not playing an active role in the wider anti-regime struggle; nor, as noted, are they defending the Shan from the encroachment of other armed groups – offering no real resistance when these groups seized historically Shan areas over the last two years. On the political front, the SNLD is still active, but it is constrained, engaging little with revolutionary politics and staying out of what are widely expected to be Potemkin elections. Leaders' wariness of open rebellion against the regime is shaped in part by memories of the military's counter-insurgency campaigns of the 1970s and 1990s in Shan State, which inflicted enormous suffering on civilians (see Section II.B above).

Yet this dynamic could change. Shan community leaders say if one of the Shan armed groups were to shift posture – by confronting the regime directly or by taking on the rival armed groups encroaching on Shan areas – they would immediately attract recruits.¹¹⁸ The RCSS, which is weakened since the coup, is unlikely to end its ceasefire with the military or pick fights with military allies such as the PNO. Local observers suggest that the SSPP is also disinclined to take on the military or seriously confront rival armed groups. Its areas of control are close to or overlap with those of the regime, making it vulnerable, and it is not (at least yet) prepared to face off with other ethnic armed groups in northern Shan, who are its nominal allies.¹¹⁹ The SSPP worries that many people in Myanmar would frown upon a move against the TNLA, as – rightly or wrongly – they have come to regard the group as a vital component of the post-coup revolutionary struggle.¹²⁰

That said, public sentiment has soured on the TNLA following its October ceasefire with the regime, which could give the SSPP more latitude – and, even before that there were clashes between the SSPP and the TNLA.¹²¹ A few months after the TNLA seized the northern

¹¹⁷ Ibid.

¹¹⁸ Ibid.

¹¹⁹ Crisis Group interviews, Shan analysts, July-September 2025.

¹²⁰ Ibid.

¹²¹ Crisis Group Report, *Treading a Rocky Path*, op. cit., Section III.C. See also “TNLA officer killed, three members injured in SSPP/SSA ambush in Hsipaw

town of Namhkam from regime forces in November 2023, it forcibly moved SSPP fighters out of positions they held near the town.¹²²

A key point of tension arose after TNLA fighters abducted a Shan youth leader in nearby Muse township on 7 November. When an SSPP officer went to negotiate his release, the TNLA ambushed his unit, capturing and executing him along with another fighter.¹²³ A few months later, the SSPP killed the TNLA captain responsible, after tracking his whereabouts to another part of Shan State.¹²⁴ There have also been occasional firefights between the SSPP and MNDAA.¹²⁵

Against this backdrop, Shan people are already mobilising in several ways. Some have voluntarily joined other non-Shan armed groups, including the TNLA, MNDAA and KIA, as well as various post-coup resistance groups including the Mandalay People's Defence Force and the Karenni Nationalities Defence Force, to play a role in the post-coup revolutionary struggle or, in some cases, to help protect their home communities.¹²⁶ These ties are not necessarily enduring. Some ethnic Shan have left armed groups that became embroiled in clashes with Shan forces. Others remain active; their experience and networks could allow them to return under a Shan banner if conditions shifted. Overall, the prospect of a wholly new organisation taking up the mantle of Shan armed resistance appears slim.

Locally, the SSPP has been recruiting heavily over the last two years, especially since the regime launched its conscription campaign in 2024. That campaign triggered a push by other armed groups to expand their own recruitment quotas and strengthen their military capacities.¹²⁷ The SSPP has not only been bolstering its regular forces through conscription, but also building reserve militia structures in many townships, known as *sit kun mong* ("home guard" in Shan).¹²⁸

Twsp", Development Media Group, 6 July 2024; "SSPP requests Wa group (UWSP) to restrain TNLA", *Eleven Myanmar*, 9 July 2024; and "TNLA aims to resolve disputes with SSPP through dialogue", *Shwe Phee Myay*, 27 June 2025.

¹²² "Brotherhood rule: An ethnic tinderbox?", *Frontier Myanmar*, 11 February 2024.

¹²³ Crisis Group interview, Shan analyst originally from Namhkam, August 2025.

¹²⁴ *Ibid.*

¹²⁵ See, for example, "SSPP and MNDAA fought each other due to territorial disputes", Shan Herald Agency for News, 11 May 2025.

¹²⁶ Crisis Group interviews, Shan civil society leaders and analysts, July-September 2025. People's defence forces are militias that were locally organised in the wake of the coup to protect communities from regime forces. Some have allied themselves with the NUG or come under its nominal command, while many others have forged ties with established ethnic armed groups or come under their control.

¹²⁷ *Ibid.*

¹²⁸ *Ibid.* Other ethnic armed groups have been doing the same. For example, the TNLA has established "town defence forces" in areas it controls; the KIA has long had this approach. The pre-existing large militias in northern Shan, long linked to illicit activity, have mostly disappeared, either absorbed into larger armed groups (for example, Tarmoney militia by MNDAA or Kawng Kha militia by KIA) or dis-

Local people suspect that while recruited to defend their own villages, these fighters would be mobilised for regular combat duties elsewhere on the armed group's behalf if major conflict were to erupt.¹²⁹ Separately, in September 2024 two Shan militias with a total of more than 600 fighters – known as the Sein Kyawt militia and Monghkay 3rd Brigade – defected from the Myanmar military to merge with the SSPP.¹³⁰ The RCSS has also been expanding conscription in its own areas in southern Shan, more publicly following the regime's decision to start its own such campaign in 2024, which normalised the practice.¹³¹

Community leaders have also mobilised ad hoc militias. An example is a group known as Sengli Mōng Mao, formed in Namhkam in late 2023 by a prominent Shan monk soon after the TNLA seized control of the town.¹³² With the RCSS already absent from the area for over two years and the SSPP reluctant to intervene, Shan residents felt vulnerable when the Ta'ang group took over their township. The monk quickly assembled some 2,000 recruits, most of whom were residents of Namhkam town who had fled to rural areas to escape the fighting. The SSPP provided them with basic military training, and the group sought to secure weapons so that it could defend Shan communities in the Namhkam-Muse area.¹³³

While the SSPP offered training, neither it nor the RCSS provided arms to the new group. Both the TNLA and KIA attempted to coopt the group with promises of weapons, but those efforts failed because the militia stood by its defining mission – that is, to defend the Shan from groups representing other ethnicities.¹³⁴ The monk who organised the militia, who goes by the pseudonym Sao Sengli, ordered members not to start hostilities with the TNLA, to avoid revealing its strength prematurely. Nevertheless, the militia came under increasing TNLA and KIA scrutiny, as both groups saw it as a threat. In June, Sao Sengli formally placed it under SSPP command, but on the condition that its forces remain dedicated to protecting the Shan in Namhkam and Muse and not be deployed elsewhere or used to fight other Shan

armed (in the case of some militias in territory now under TNLA control, including the Manton and Jaryan militias).

¹²⁹ Ibid.

¹³⁰ “Two militia groups defect from junta to rejoin SSPP/SSA”, Shan Herald Agency for News, 6 September 2024 [Burmese]. The two militias had originally defected to the Myanmar army in 2010.

¹³¹ Crisis Group interview, Shan analysts, August-September 2025.

¹³² Sengli Mōng Mao literally translates as “jewel of Mōng Mao”, where Mōng Mao is the name of a 14th-century Tai kingdom centred on the Muse-Namhkam area.

¹³³ Crisis Group interview, Shan analyst originally from Namhkam, August 2025.

¹³⁴ Ibid.

armed groups.¹³⁵ Such initiatives show both the will and the capacity to expand Shan armed mobilisation if the circumstances are right.

Against this backdrop, the regime has been attempting to sow ethnic discord. In May 2024, the SSPP accused it of creating a fake Facebook account in its name, which it said the junta used to inflame tensions with the TNLA.¹³⁶ In August 2025, the regime also instigated a series of demonstrations in Shan-majority towns denouncing the TNLA and MNDAA.¹³⁷ The protests were held in a dozen locations under regime control, mostly in southern parts of the state, with civil servants and local people reportedly forced to take part.¹³⁸ The RCSS criticised the demonstrations as unnecessary, stating that it had no involvement.¹³⁹

V. Implications and Recommendations

The post-coup conflict in Shan State has redrawn the lines of territorial control, deepened inter-ethnic tensions and eroded Shan leaders' longstanding aspiration to peaceful coexistence among the state's many ethnic groups. Shan actors – political and armed – find themselves increasingly sidelined, while non-Shan armed groups assert dominance in key Shan-majority areas. China's growing role as power-broker has curbed but not stopped the fighting, while entrenching a fragmented order. Without an inclusive, locally grounded dispensation that reflects the state's diversity and complexity, the potential for deeper alienation of Shan communities will grow, fuelling risks of intensified conflict.

The Myanmar military remains the primary obstacle to peace in Shan State, as elsewhere in the country. While inter-ethnic tensions are real, they are rooted in decades of divide-and-rule policies, brutal counter-insurgency campaigns and failure to provide either security or equitable governance, as well as the current regime's dearth of legitimacy or popular support. Accordingly, there can be no peaceful, equitable outcome in Shan State without political change in Myanmar as a whole. But, conversely, given the region's economic and strategic importance, it is hard to see sustainable change at the national level without progress in Shan State.

¹³⁵ Ibid. Now a unit of the SSPP, the militia has ceased referring to itself as Sengli Mông Mao.

¹³⁶ See "Regime creates fake account on social media to inflame territorial disputes between Ta'ang National Liberation Army and Shan State Progress Party in northern Shan State after Operation 1027, says SSPP", Shan Herald Agency for News, 30 May 2024 [Burmese]. The Facebook page has since disappeared.

¹³⁷ "RCSS accuses junta of plotting division among ethnic groups", Shan Herald Agency for News, 19 August 2025 [Burmese].

¹³⁸ Ibid.

¹³⁹ Ibid.

To that end, there are practical steps that local protagonists, China and other external partners can take to reduce the risk of escalation and lay the foundations for a more peaceful future. To begin with, the non-Shan armed groups that have seized Shan-majority areas should end exclusionary practices that deepen resentment and heighten the risk of backlash from Shan communities. Local administrations – particularly in Shan-majority towns now controlled by the TNLA and MNDAA – should reflect the ethnic diversity of the areas they govern and open meaningful, influential roles to women’s participation. These groups should also better protect civilians by refraining from billeting fighters near homes, curbing forced recruitment, limiting excessive taxation, scaling back the number of checkpoints and ending arbitrary detention. It is in the interest of the groups themselves to adopt a more politically sophisticated posture of this kind, so as to reduce tensions with the population that could frustrate their governance efforts and precipitate a violent response. China could also press the groups to take such moves.

Aid agencies and donor governments should also build on their engagement with Myanmar’s ethnic armed groups – including the TNLA in Shan State. Outside actors have opened channels with these groups because of the significant territories and populations they control, as well as the sense that they will bear responsibility for important political, governance and service delivery functions for the foreseeable future.¹⁴⁰ Donors and diplomats should use these channels to press for more inclusive and accountable governance. They should also back Shan vernacular media outlets and civil society, including women-led organisations, which can provide a counterbalance to exclusionary practices and help locals enjoy a stronger voice in decision-making.

Shan and non-Shan entities alike should commit to the principle of peaceful coexistence, with safeguards for minorities that they govern. Armed group and political leaders in Shan State should work toward building a shared platform – along the lines of the lapsed Committee for Shan State Unity – to pursue practical efforts to promote peaceful coexistence and equal rights for all ethnic groups. In the longer term, they should explore structural changes that might advance these objectives. One way to create momentum for these efforts would be for Shan armed group and political leaders and intellectuals to reinvigorate debate within the Shan community about decentralised governance models – including possible federated states within Shan State – in order to help prevent fragmentation and provide a more positive framework for communities in shaping the future.

Moving in this direction will be possible only with effective Shan political leadership, however. Shan leaders need to set out a compelling

¹⁴⁰ The rationale for such engagement was set out in Crisis Group Briefing, *Ethnic Autonomy and Its Consequences*, op. cit.

vision for the future – a contemporary but still inclusive Shan dream – that can motivate Shan society, especially the youth, and serve as a template for action. Such a vision should combine political renewal and economic transformation. Elements might include reinvigorating the state’s tradition of peaceful multi-ethnic coexistence through decentralised and inclusive governance; advancing legitimate livelihoods and trade that reduce the draw of illicit economies; and promoting cultural confidence rooted in diversity rather than exclusion. Given the disillusionment with their post-coup passivity, such an initiative is vital for restoring Shan leaders’ legitimacy in the eyes of their people.

More immediately, Shan leaders will have to navigate a challenging national political environment. They will need to determine the best way to engage more effectively with current opposition structures – the NUG and related bodies – and the risks and benefits for different Shan entities of doing so. For their part, the NUG and broader opposition movement should facilitate greater Shan participation in their activities. Given the prominence of the Shan, without their leaders at the table – in opposition structures now, where they are not strongly represented, or in national dialogues down the road – any future political process will lack legitimacy and risk failure.

Civil society and local media also have a role to play in limiting the risk of violence. These groups and individuals, from all communities, should resist polarising narratives and avoid rhetoric, especially on social media, that fuels ethnic divides. For example, reporting that frames abuse by armed groups in ethnic terms – failing to distinguish between the armed organisation and the ethnic community they seek to represent – can be unnecessarily inflammatory. Media outlets can make an important contribution by being more sensitive to how their reporting may stir up inter-ethnic tensions and resentment – and could instead be an avenue to calm these destructive passions.

With respect to the broader context, China has unique leverage. But while the ceasefires it has imposed have reduced conflict along its border with Myanmar, the absence of a positive political and economic agenda in Beijing’s approach means those gains are unlikely to be durable. It should deploy its influence not only to contain fighting and dismantle scam centres, but also to promote legitimate economic opportunities that benefit local communities – for example, by supporting cross-border trade in cash crops from Shan State and investing in small-scale infrastructure linking to the main Mandalay-Muse trade artery and in agricultural value chains. A shift from illicit economies to legitimate development is essential to weaken criminal actors and the corrosive networks they sustain, which are detrimental to China’s objective of maintaining stability on its Yunnan frontier. Beijing will need not only to bolster its law enforcement to tackle criminality, but also to reinvigorate the economy through trade, agricultural promotion and job-creating investment.

VI. Conclusion

Shan State has entered a more volatile phase since the 2021 coup. The Myanmar military's decline has allowed non-Shan armed groups to expand into Shan-majority towns, while Shan armed groups and political parties have been sidelined. China's role as powerbroker has so far forced a number of ceasefires and raised the prospect of reopening trade routes. But Beijing's support for the regime has fuelled popular anger, and its propensity for working with non-Shan groups risks deepening Shan alienation. Shan people feel resentful of outsiders who now dominate their areas and unhappy with Shan leaders who have failed to protect them.

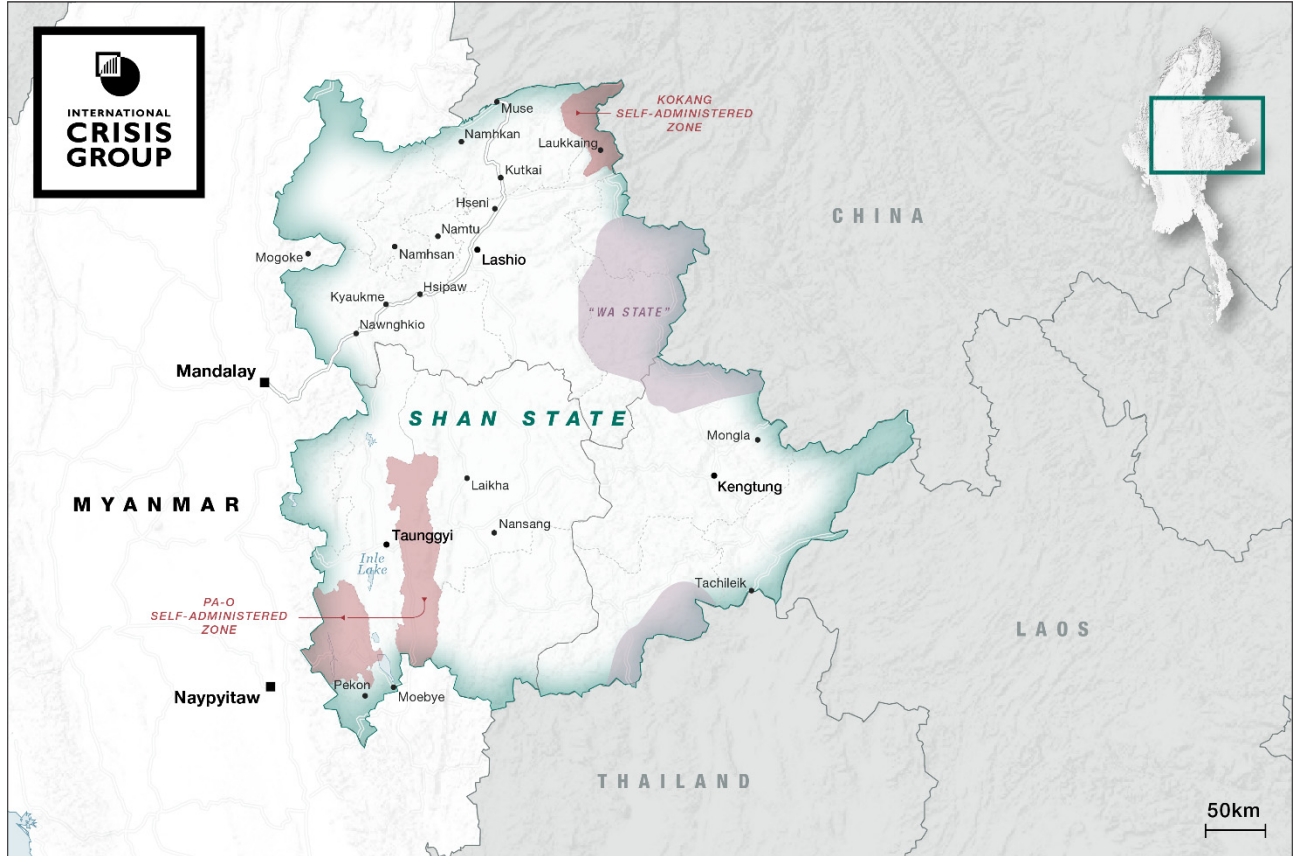
The risks are clear. Absent stronger leadership, frustration could harden into a more exclusionary Shan nationalism, further damaging inter-ethnic relations. Armed group recruitment drives and the spread of local militias have created conditions in which even a small spark could ignite a wider escalation. Tensions with the TNLA and MNDAA are especially combustible: any sustained fighting with Shan groups would add a dangerous new dimension to Myanmar's post-coup conflict and further destabilise this strategically important state.

Without change, Shan grievances are likely to intensify and the prospects for a future sustainable peace in northern Myanmar to recede.

Bangkok/Brussels, 27 November 2025

Appendix A: Map of Shan State

Shan State is a strategic trade hub with China, hosting legal and illegal economies from agriculture to narcotics and scams. Multiple armed groups with shifting alliances operate, with conflict particularly intense along the Mandalay-Muse corridor.



Source: UN OCHA HDX, OpenStreetMap, November 2025. CRISIS GROUP

Appendix B: Acronyms and Key Terms

CPB	Communist Party of Burma (armed insurrection, collapsed 1989)
KIA	Kachin Independence Army (Kachin armed group)
MNDAA	Myanmar National Democratic Alliance Army (Kokang armed group)
MTA	Mong Tai Army (Khun Sa's armed group, disbanded 1996)
PNO	Pa-O National Organisation (Pa-O armed group)
RCSS	Restoration Council of Shan State (Shan armed group)
SNLD	Shan Nationalities League for Democracy (Shan political party)
SSJAC	Shan State Joint Action Committee (Shan political-military coordinating body)
SSPP	Shan State Progress Party (Shan armed group)
TNLA	Ta'ang National Liberation Army (Ta'ang armed group)
UWSA	United Wa State Army (Wa armed group)

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