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MYANMAR – PERSPECTIVES ON POLITICAL CHANGE

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An “outpost of tyranny” is how former US Secretary of State Condoleezza Rice described the political regime in Burma/Myanmar¹ during her time in office. This negative assessment of Myanmar’s political situation is widely shared by the West, meaning primarily the US and Europe, where the media and civil society are closely following developments in the country. While human rights organizations and civil society groups in Asia share this critical assessment, Asian governments are restrained in their criticism of Myanmar’s political regime.

However, as the following examples show, Myanmar’s military regime has demonstrated the dictatorial character of its leadership on numerous occasions over the past few years:

- The violent suppression of the Saffron Revolution, peaceful demonstrations led by unarmed Buddhist monks in August and September 2007.
- The military regime’s initial refusal to allow international relief organizations access to the country following the

1 | Condoleezza Rice used this turn of phrase to refer to the regimes in Cuba, Myanmar, North Korea, Iran, Belarus, and Zimbabwe during a hearing of a US senate panel on foreign relations on January 18, 2006. Her description attracted widespread international attention at the time. The name ‘Burma’ was introduced as the official state name during British colonial rule but replaced by ‘Myanmar’ in 1989. The United Nations, along with many other countries including Germany, recognize the new state name. The US, Great Britain, France, Canada, and Australia, along with many Burmese opposition groups in exile, however, refuse to acknowledge the country’s new name. Generally, this paper will use the official name ‘Myanmar’ while using the adjective ‘Burmese’ where applicable.

devastation caused by cyclone Nargis on May 2 and 3, 2008. Although it is estimated that severe flooding and widespread destruction caused the deaths of more than one hundred forty thousand people, it still required massive political pressure from neighboring China and the *Association of South East Asian Nations* (ASEAN) for Myanmar's regime to eventually accept foreign aid and international assistance with the reconstruction efforts.

- The renewed conviction of Nobel Peace Prize Laureate Aung San Suu Kyi following an incident in May 2009 whereby a US citizen managed to enter her heavily guarded house under mysterious circumstances. Ms San Suu Kyi had notified the authorities about the intruder.
- Despite ceasefire agreements, ethnic minorities are still suppressed in some parts of the country.

In response to the ongoing human rights violations in Myanmar, the US, the European Union (EU) and Australia have placed an embargo against the country. These sanctions further reinforce Myanmar's self-imposed and long-lasting isolation, which was only lifted for a short-lived period in 1988/89. While the US bans virtually all contact with Myanmar, the EU has restricted its embargo to trade and investments while allowing humanitarian aid. Asian countries, on the other hand, have not placed any embargos against Myanmar. This includes not only China and the members of the ASEAN community but also India, Japan and South Korea. The desired effect of the embargo is, thus, diminished and, as a result, Myanmar's companies simply conduct their business – including their dealings with the West – mainly via Thailand, India or Singapore. In political terms, the regime is not entirely isolated. In 1997, the country became a full member of ASEAN and has been involved in many Asian forums since then. Myanmar regularly participates in summits between Asia and Europe as part of the so-called ASEM Process.

The embargo against Myanmar appears to be largely ineffective, even detrimental. It has isolated the West and, thus, virtually removed all possibilities of improving living conditions for the poor and bringing about political change in Myanmar. Abolishing the embargo would widen the scope of action for the West. Perhaps there is an opportunity for such changes after the 2010 election.

The 2010 election is part of the Seven Step Roadmap towards, as what the military junta described in August 2003, a “genuine and disciplined democratic system.” The international community views the election with skepticism, considering them to be ‘pseudo elections.’² These skeptical voices grew louder when the new electoral law was announced in March 2010. This law practically excluded the well-known opposition leader and Nobel Peace Prize laureate, Aung San Suu Kyi, from the elections. According to this law, participating parties are not allowed to advance previously convicted candidates; moreover, they are obliged to exclude such members. Failure to do so means they will lose their registration. Since the party of Aung San Suu Kyi, the *National League for Democracy* (NLD), was not willing to exclude its most important representative, it declined to register. Consequently, the most significant opposition party in recent decades will not be participating in the 2010 election. Without a doubt, this will cast doubt on the legitimacy of the electoral process. Nevertheless, this election may mark the start of a transition process towards a democratic regime.

This paper analyzes political developments within Myanmar, as well as the country’s international relations. It contributes to the debate about future political scenarios in Myanmar in the run up to the election later this year. At the same time, it seeks to promote discussion on the tools and strategies available to international partners when interacting with Myanmar in terms of political and development cooperation.³

- 2 | Christian Schmidt-Häuer, “Die Unterwelt der Generäle,” *Die Zeit Online*, February 8, 2010, <http://www.zeit.de/2010/06/Kolumne-CSH4> (accessed May 5, 2010).
- 3 | Li Chenyang and Wilhelm Hofmeister, *Myanmar: Prospects for Change* (Singapore: KAS and Yunnan University Press, 2010); Kyaw Yin Hlaing, Robert H. Taylor and Tin Maung Maung Than, *Myanmar: Beyond Politics to Societal Imperatives* (Singapore: ISEAS Publications, 2005); Narayanan Ganesan and Kyaw Yin Hlaing, *Myanmar: State, Society and Ethnicity* (Singapore and Hiroshima: ISEAS and HPI Publications, 2007); Kyaw Yin Hlaing, “The Politics of State-Society Relations in Burma,” *South-East Asia Research* 15 (2007): 213 - 54; Kyaw Yin Hlaing, “Power and factional struggles in post-independence Burmese governments,” *Journal of Southeast Asian Studies* 39 (2008), http://www.accessmylibrary.com/coms2/summary_0286-34625054_ITM; the conclusions of this article are also based on numerous meetings with Burmese people and observers of the country in Asia as well as conversations conducted by the author during his visits to Myanmar in 2009 and January 2010.

POLITICAL DEVELOPMENTS

With an area of six hundred seventy-eight thousand five hundred square kilometers, Myanmar is similar in size to France and the largest country within Indochina. The country's population of about fifty-six million people is composed of seventy percent Burmese and thirty percent so-called indigenous ethnic groups. The latter are sometimes also referred to as 'tribes' and live primarily in the areas bordering Thailand, China and India. Most of these ethnic groups have their own language and customs – a fact that continues to pose a challenge for their integration into the state of Myanmar.

At the beginning of the twentieth century, Burma was still one of the richest countries in Southeast Asia. However, in September 1945, following almost three years of Japanese occupation, most of the country's towns had been destroyed in a bombing campaign between Japanese and Allied forces.

In 2009, Myanmar's gross national product stood at an estimated fifty-six billion US dollars. With an estimated gross national product per capita of only one thousand two hundred US dollars, Myanmar is, today, one of the poorest countries in Asia.⁴

At the beginning of the twentieth century, Burma was still one of the richest countries in Southeast Asia. However, in September 1945, following almost three years of Japanese occupation, most of the country's towns had been destroyed in a bombing campaign between Japanese and Allied forces. Immediately after the war, the country once again became a British colony, but gained independence on January 4, 1948 following negotiations mainly led by General Aung San, the father of the current opposition leader, Aung San Suu Kyi. However, General Aung San was assassinated in July 1947 and never lived to see Myanmar as an independent country.

Its new-found independence presented enormous challenges for the new state. Among the key concerns was not only the country's economic reconstruction but also the creation of a unified state that could integrate Burma's central regions with the border regions inhabited by various 'tribes' or 'nations'. Prior to independence, General Aung San had struck an agreement with the most important

4 | All international economic and social data relating to Myanmar are either approximations or estimates since the regime has refused to publish exact data for many years, and does not allow an independent census.

indigenous tribes, which integrated these into the new state. Nonetheless, the democratic process, which had begun after independence and ended with the military coup in March 1962, was overshadowed by the continuous struggle between ethnic Burmese and other ethnic groups.

The unresolved conflict between Myanmar's ethnic groups and the resulting threat to state unity prompted the military coup in 1962. The principles of unity, integrity, and stability have since become the central *leitmotif* of Myanmar's military junta and continue to shape both the thoughts and actions of the country's generals. In addition, the military's expropriation or nationalization of local and foreign businesses – generally without the offer of compensation – has had a severe impact on the Burmese economy.

In 1974, the military junta held a referendum on the adoption of a new constitution, which was modeled on the constitutions of Socialist countries in Eastern Europe. Political power, or more accurately, political administration of the country was transferred to the *Burma Socialist Program Party* (BSPP), which was founded in 1962. However, the military remained the key power in the country.

Following almost one and half decades of rule by the BSPP, during which time economic and social conditions in Myanmar continuously declined, and personal and political freedoms were suppressed, a military coup on September 18, 1988 reinstated the military as the country's official government. Led by the newly-founded

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State Law and Order Restoration Council (SLORC), the military junta announced in its first declaration that elections would be held as part of a multi-party system. No less than

two hundred thirty-five parties registered within the first few days, although many of these were not more than local associations or interest groups without a political program or a national approach. One of the best organized parties was the NLD, led by the charismatic Aung San Suu Kyi. To start with, the NLD was less concerned with preparing for the elections and focused instead on the fight for civil and political freedoms. The party's activities led to frequent

clashes with the SLORC, with the latter eventually refusing to engage with the NLD.

THE 1990 ELECTIONS: A BROKEN PROMISE?

Elections took place on May 27, 1990 but they failed to resolve the constitutional dilemma. Apparently driven by the widespread belief that the military would give up power after the elections, the participating parties did not pay particular attention to this issue during the election campaign. The SLORC, on the other hand, emphasized that the drafting of a new constitution should be the key task of the new general assembly while remaining vague on how this process was to impact on the transfer of power. After the elections, it became clear that both sides had entered the process with very different assumptions and expectations.

With 59.87% of votes and 80.82% of mandates in the general assembly, the NLD emerged as the clear winner. Many observers saw the election outcome as confirmation of the widespread public demand for political change. At the same time, electoral support for the NLD could also be seen with public protests against the arrest of Aung San Suu Kyi.

It appears that during discussions between the NLD and SLORC following the elections, the NLD's central committee – composed mainly of former members of the military and businessmen – agreed to chair a commission on the drafting of a new constitution. Other party members, however, many of whom were younger activists and intellectuals, rejected any form of compromise with the military and demanded full governmental powers.

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On July 27, 1990, the SLORC published a declaration, which tasked the winners of the election with the drafting of a new constitution. It also declared that the SLORC would remain in power until the constitution had been adopted. Two days later, the NLD responded with its own demand that the "*Pyithu Hluttwa*" was to be convened by September 1990 at the latest, followed by the transfer

of political power to a civilian government. Following the example of other parties, the NLD eventually signed a memorandum on October 27, 1990, which agreed to the constitutional procedure as dictated by the SLORC and accepted a parliament with far fewer competencies.

In January 1993, a National Convention controlled by the military was tasked with the adoption of a constitution. In September of the same year, a committee for the preparation of the drafting process, itself dominated by the military, tabled one hundred four basic principles at the National Convention, which were included without major adjustments in Chapter I of the constitution. Initially, the NLD contributed to the work of the National Convention. However, in November 1995, the NLD withdrew its support for the Convention as the SLORC would not allow the party to chair the constitutional reform process, despite it winning the 1990 elections.

The work of the National Convention was suspended between March 1996 and May 2004 as the SLORC – re-named State Peace and Development Council (SPDC) in 1997 – was working hard to finalize several ceasefires with different insurgent ethnic groups, whose support was considered essential for the successful conclusion of the constitutional process.

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Eighteen years after the elections of 1990, and despite the widespread destruction caused by cyclone Nargis only a few days earlier, a referendum on the draft constitution as

ratified by the National Convention was held on May 10, 2008.⁵ “The more the NLD and Western countries insisted that the referendum should be postponed the more the military government saw this as a trial of strength and the less willing they were to agree to any postponement.”⁶

According to official reports, 92.48% of the Burmese electorate voted in favor of the draft constitution. Leading up to the referendum, the junta had run a comprehensive campaign to persuade the electorate to support the draft constitution – even though anything other than overwhelming endorsement would have been inconceivable. At the same time, the NLD was not allowed to run a campaign opposing the constitution. Observers agree that, despite some irregularities, the official figures do in fact reflect the actual result of the voting process. In the absence of an alternative many citizens simply voted for the only available option that promised a possible change to the political system.

The constitution of 2008 contains four hundred fifty-seven articles divided into fifteen chapters. The state’s official name is changed to the “*Republic of the Union of Myanmar*.” The political system is described as a “disciplined, flourishing, genuine multi-party democracy.” However, twenty-five percent of parliamentary seats are reserved for the military. Nonetheless, the constitution does not reserve certain ministries for the military nor does it commit a certain amount of the annual budget to military spending. It is worth noting that the constitution establishes fourteen regional assemblies. This can be interpreted as an acknowledgement of the regional and ethnic differences within the country and a consideration of decentralization and political participation for the regions.

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5 | The draft was prepared by a committee of constitutional experts. In the regions affected by cyclone Nargis the referendum was postponed until May 24.

6 | Derek Tonkin, “The 2008 Constitution in the Context of the Myanmar Reality,” in: *Myanmar: Prospects for Change*, ed. Li Chenyang and Wilhelm Hofmeister (Singapore: KAS and Yunnan University Press, 2010): 60.

THE ROADMAP TOWARDS DEMOCRACY AND PREPARATIONS FOR THE 2010 ELECTION

On August 30, 2003, General Khin Nyunt, Prime Minister at the time, announced a roadmap towards a “disciplined democracy” comprising the following elements:

1. Reconvening the National Convention that had been adjourned since 1996.
2. Step by step implementation of a genuine and disciplined democratic system following the first successful meeting of the National Convention.
3. Drafting a new constitution in accordance with basic principles and detailed basic principles as laid down by the National Convention.
4. Adoption of the constitution through a national referendum.
5. Holding of free and fair elections for legislative bodies (*Pyithu Hluttaws*) in accordance with the new constitution.
6. Convening of *Hluttaws* attended by *Hluttaw* members in accordance with the new constitution.
7. Creating a modern, developed, and democratic nation by the state leaders elected by the *Hluttaw*.

Measured against the institutional reforms it has initiated, the military regime has stuck closely to the political parameters of the roadmap. The government has since confirmed that an election will take place in 2010, as required by the constitution, but has yet to announce an exact date.

The constitution provides for elections to a bicameral parliament. The House of Representatives will consist of four hundred forty members. Only three hundred thirty of these will be elected civilians; one hundred ten will be appointed directly by the military. The second chamber, the “House of Nationalities,” comprises two hundred twenty-four members; one hundred sixty-eight are to be elected and fifty-five will be appointed by the Supreme Commander of the military forces. The enormous influence of the military on both chambers is, thus, clearly evident. However, the military will not have an overall majority. As well as the national members of parliament, delegates for seven federal and fourteen regional parliaments will also be elected.

In March 2010, the government announced five laws concerning the organization of the elections. The law on party registration received special attention. This requires all parties to reregister. In addition, no one with a criminal conviction is allowed to be member of a party or to be elected. This excludes Aung San Suu Kyi from the election, since she was convicted of violating the terms of her house arrest in 2009. Overall, two thousand political prisoners are barred from taking part in the election.

These regulations caused international protest and cast doubt on the credibility of the electoral process. Many governments, as well as the United Nations, have repeatedly called for elections that allow all political actors to participate and acknowledge the basic political rights of citizens, parties, and electoral candidates. There was also an expectation that the 2010 election would pave the way for a civilian government to replace the military junta. These expectations were shared by Myanmar's opposition parties, including the NLD. However, the electoral laws make this impossible and threaten the very existence of the NLD.

Nonetheless, Aung San Suu Kyi remains highly popular and, therefore, it was expected that even if she were not allowed to stand as a candidate, her charismatic personality would have secured a substantial number of votes for the NLD.

The NLD has retained its position as the country's most popular party, but it is far from certain that it will be able to dominate the election process in the same way it did twenty years ago. For one thing, the party's central executive committee still largely consists of its original members; the recruitment of younger members would have required the approval of the authorities, with whom the NLD has refused to cooperate. Furthermore, some observers suspect that the party may have lost some of its appeal with elements of society. This lack of support may be due to the party's dismal track record in securing its political goals by pursuing a strategy of total opposition and its somewhat vague strategic objectives. Some groups, it appears, doubt whether the NLD is willing to show the level of compromise required for the gradual opening of Myanmar's regime. Nonetheless, Aung San Suu Kyi remains highly popular and, therefore, it was expected that even if she were not allowed to stand as a candidate, her charismatic personality would have secured a substantial number of votes for the NLD.

Following her exclusion, Aung San Suu Kyi made it clear that she did not want her party to participate in the 2010 election. This has a significant impact on Myanmar's political development in general and the party system in particular. It is likely that no party will dominate the election process as might have been the case had the NLD participated. Additionally, it will be much more difficult for the opposition to win a significant majority in parliament.

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decline of Myanmar's education system and the country's systematic international isolation has resulted in a dramatic shortfall of qualified people who can support a future government. Presumably, therefore, only very few people who are not members of

the present administration possess the knowledge and experience required to take on administrative roles in government agencies. . Nonetheless, the election will also open doors for new forms of political participation and kick start political careers.

The reform of the military itself will be of equally crucial importance. General Than Shwe will step down as Head of State, a role he assumed in 1992, while the resignation of his deputy, General Maung Aye, is also to be expected. Although a number of young officers are likely to rise to positions of authority, members of the old regime may continue to hold on to selected senior positions. As such, the military apparatus (*Tatmadaw*) looks set to maintain control over political process within Myanmar for some time yet.

AUNG SAN SUU KYI – ICON OF MYANMAR'S DEMOCRATIC MOVEMENT

Myanmar's political development would not have received the same level of international attention had it not been for Aung San Suu Kyi, the opposition leader, who has come to personify the oppression of the Burmese people and

peaceful resistance against a military dictatorship.⁷ Her international standing grew even further after she was awarded the Nobel Peace Prize in 1991. Aung San Suu Kyi has been under house arrest since 1989. Her imprisonment was extended in 2009 in a kangaroo court. It appears that the military is seeking to prevent her participation in the upcoming elections by all means possible as significant electoral gains for the NLD are otherwise almost guaranteed.

Aung San Suu Kyi enjoys the widespread admiration of the people of Myanmar. In September 2007 for example, hundreds of protesting monks marched past her house to pay their respects to the imprisoned opposition leader. Appearing in public for the first time in four years, she stood silently at the porch of her house to watch the demonstration.

Nonetheless, there are some who do not share her political views including, for example, her approval of international sanctions against Myanmar and her recommendation for tourists to abstain from visiting the country in order to further isolate the military junta. She also rejects the renaming of the country as 'Myanmar'. Even among the Burmese critical of the current regime, there are some who consider her political stance to be overly dogmatic arguing that Myanmar's continued isolation affects not only the government but also the people. Even if Aung San Suu Kyi is released after the election, her political influence is likely to remain limited since her party NLD will not contest the election.

The integration of ethnic minorities remains a key challenge to the goal of creating a unified Burmese state. It is equally important for the development of a democratic system should a political transition process be ushered in after the 2010 election.

SOCIETY AND ECONOMY

INTEGRATION OF ETHNIC MINORITIES

The integration of ethnic minorities remains a key challenge to the goal of creating a unified Burmese state. It is equally important for the development of a democratic system

7 | Barbara Victor, *The Lady: Aung San Suu Kyi: Nobel Laureate and Burma's Prisoner* (New York: Faber & Faber, 1999); Justin Wintle, *Perfect Hostage: The Story of Aung San Suu Kyi* (London: Hutchinson, 2007).

should a political transition process be ushered in after the 2010 election. The initial failure to create a democratic state in Myanmar following independence was partially due to unresolved conflicts with the country's ethnic minorities. These conflicts continue to justify political control by the military with reference to the threat these unresolved conflicts pose to state unity.⁸

It is difficult to account for the total number of ethnic groups that live in Myanmar and it is almost impossible to associate them with a particular territory, as several groups often live alongside each other in the same region. According to the SPDC's official statistics, Myanmar is home to eight ethnic races comprising one hundred thirty-five ethnic groups.

Whether the desired conciliation and integration into a unified state will be possible under democratic conditions

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remains one of the great unknowns of the transition process. On the one hand, political groups and parties within the ethnic groups that oppose the process may pose obstacles.

On the other, there are conflicting views among the various political actors on how the integration of ethnic minorities can be achieved best. These approaches range from

the creation of largely autonomous ethnic enclaves as proposed by Burmese exile groups, through the proposed assimilation into the nation state – including the compulsory acquisition of the Burmese language – as the SPDC is currently trying to do, to, finally, the marginalization and denial of certain fundamental rights, such as freedom of movement, as is currently happening to members of the *Rohingya* group living in Rakhine State.

8 | Cf. Ian Holliday, "Ethnicity and Democratization in Myanmar," (paper presented to the Conference on Political Development and New Challenges to International Relations in Southeast Asia, Kunming, July 19 - 22, 2009).

CIVIL SOCIETY

Myanmar is home to an active civil society composed of autonomous associations that aim to influence political and social decisions and structures.⁹ This may come as a surprise to observers who picture Myanmar as an isolated regime with a reputation for brutally oppressing any form of social organization as shown, for example, by recent media coverage of the violent suppression of the Saffron Revolution in 2007 or the military government's initial refusal to accept international humanitarian aid after cyclone Nargis in 2008. However, civil society and social movements do, in fact, have a long tradition Myanmar. Behind the iron curtain isolating Myanmar from the outside world, civil society has managed to preserve some of this tradition, boasting even today groups that represent shared interests vis-à-vis government agencies.¹⁰

Despite the repressive political climate, there are a number of active charitable and educational social organizations in Myanmar, as well as several lobby groups, which represent the interests of the business community. However, the extent of their spheres of influence remains uncertain. The only clear pattern of behavior that can be determined is the swift oppression of any organization, which becomes too successful or attracts too many members. The best example of a successful civil society organization is the *Free Funeral Services Organization* in Yangon (Rangoon).

9 | Georg Ismar and Jürgen Mittag, "Vom Protest zur Partizipation? Soziale Bewegungen in Lateinamerika seit Beginn des 20. Jahrhunderts," in: *El Pueblo unido? Soziale Bewegungen und politischer Protest in der Geschichte Lateinamerikas*, ed. Georg Ismar and Jürgen Mittag (Münster: Verlag Westfälisches Dampfboot, 2009): 21; Joana Fontoura and Wilhelm Hofmeister, "Zwischen Konflikten und Reformen: Soziale Bewegungen in Brasilien," in: *El Pueblo unido? Soziale Bewegungen und politischer Protest in der Geschichte Lateinamerikas*, ed. Georg Ismar and Jürgen Mittag (Münster: Verlag Westfälisches Dampfboot, 2009): 229 - 53.

10 | Ashley South, *Civil Society in Burma: The Development of Democracy amidst Conflict* (East-West-Center Washington, 2008): 51; Kevin Hewison and Susanne Prager Nyein, "Civil Society in Burma: Rise, Demise, Failed Reprise," in: *Myanmar: Prospects for Change*, ed. Li Chenyang and Wilhelm Hofmeister (Singapore: KAS and Yunnan University Press, 2010): 13.

While the regime has abandoned its Stalinist approach, the mass organizations of the past have remained, albeit in a slightly different format, and are still important instruments of social control. Among the most important mass organizations are the *Women's Affairs Federation*, the *Myanmar Fire Brigade*, the *Myanmar Red Cross Society*, or the *Union Solidarity and Development Association* (USDA), which is the biggest state-sponsored organization and is widely considered the 'civil face' of the government. Its patron is the leader of the military junta, General Than Shwe. The USDA mainly organizes mass rallies in support of the government or so-called 'acts of solidarity'; yet, at least parts of the organization are believed to have played a role in suppressing the protests in September 2007.

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Disaster relief efforts in the aftermath of cyclone Nargis have also opened up the country to the outside world, granting access to a number of international aid organizations, some of which have even managed to secure access for their own foreign representatives. While the government imposes certain restrictions on these foreign aid workers, limiting their freedom of movement or making the visa application procedure difficult, for example, the presence of international organizations and their representatives in Myanmar has strengthened the position of the country's own civil society groups and offers forms of international networking that were hitherto unavailable due to international isolation.

ECONOMIC AND SOCIAL SITUATION

Myanmar's economic development is held back by continued state intervention as well as endemic corruption. According to a ranking produced by *Transparency International*, Myanmar is among the world's most corrupt nations. Smuggling and the illegal trade of gemstones, one of the country's most important export commodities, are rife. US and EU sanctions against Myanmar appear to reinforce illegal trade practices, which are nothing else but attempts to circumvent the trade embargo. In spite of sustained and gross economic mismanagement by the government, the country's natural resources are a major

incentive for Myanmar's neighbors to expand bilateral economic relations. According to figures published by the Asian Development Bank, Myanmar's gross national product grew by 13.1% in 2006 and by 11.9% in 2007.¹¹ Its most important trading partners are Thailand and China, followed by India, Japan, Singapore and South Korea, all of which do not comply with the trade sanctions in place against Myanmar.

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Any political transition process will have to focus on fundamental reforms, which pave the way for a market economy, as well as the introduction of comprehensive measures to combat corruption. The complexity of this task indicates the severity of the challenges facing a civil government. It will be impossible for a poor country to cope with these challenges without massive international support. Indeed, even the authoritarian military regime currently in power in Myanmar has had to acknowledge that people's willingness to endure declining economic and social conditions has its limits. The Saffron Revolution of August and September 2007 was, at least in part, caused by public dissatisfaction with deteriorating economic and social conditions in Myanmar; it was triggered ultimately by the government's announcement in August 2007 to raise petrol prices. Since then, the country's economic situation has stabilized and foreign trade and international reserves have grown. In fact, foreign investments and private exports generated clear growth in 2008. Furthermore, because of its relative isolation, Myanmar emerged virtually unscathed from the international economic crisis in 2009. Nonetheless, the overall situation in Myanmar remains characterized by high levels of poverty. Many will have high expectations of a democratically legitimate civil government.

INTERNATIONAL RELATIONS

Since it gained independence, Myanmar has pursued a strategy of non-alignment, particularly during the Cold War. At that time, its foreign policy was based on three

11 | Cf. <http://www.adb.org/Documents/Books/ADO/2009/Update/statistical.pdf>. (accessed May 12, 2010); data for the following years are not available; for selected key indicators, please see http://www.adb.org/Documents/Books/Key_Indicators/2007/pdf/MYA.pdf (accessed May 12, 2010).

key goals: the protection of its independence, its sovereignty, and its territorial integrity. This strategy required a careful balancing of the interests of the region's different powers. Following nationwide demonstrations in 1988, the elections in 1990, and continued international support for the national democratic movement, the military junta pushed the non-alignment doctrine to its extreme by literally isolating the country from the outside world. It can be argued that this extreme reaction was provoked, in part, by the sanctions imposed on Myanmar by the West. Now, while globalization has facilitated market access for many of Myanmar's Asian neighbors, the country itself remains largely isolated which hampers its development, in particular with regards to its wealth in natural resources and the potential for economic growth.¹²

ASEAN AND THE SOUTHEAST ASIAN NATIONS

Since its accession to ASEAN in 1997, Myanmar's membership has posed challenges for its relations inside the association, as well as with international partners.¹³ Some ASEAN members – including Thailand and the Philippines – had hoped that Myanmar's membership would provide the necessary institutional framework for a constructive dialogue with the regime and, thus, enable ASEAN members to positively influence political developments in the country. However, it soon became apparent that the leadership in Yangon rejected any form of external intervention, including any attempts made by its ASEAN partners. Furthermore, members of the organization have failed to agree on a common strategy for dealing with their newest member.

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ASEAN's impotence in influencing developments in Myanmar has been all too visible on numerous occasions. In September 2007, for example, ASEAN foreign ministers expressed their disapproval at the violent suppression of

12 | For the following sections, please see the various contributions in Li Chenyang and Wilhelm Hofmeister *Myanmar: Prospects for Change* (Singapore: KAS and Yunnan University Press, 2010).

13 | Kyaw Yin Hlaing, "ASEAN's Pariah: Insecurity and Autocracy in Myanmar (Burma)," in: *Hard Choices: Security, Democracy, and Regionalism in Southeast Asia*, ed. Donald K. Emmerson (Stanford: Stanford University Press, 2008).

the Saffron Revolution in an unusually critically worded statement. The statement called on the government to find a solution to the political crisis and to release all political prisoners, including Aung San Suu Kyi. In response, the military junta conceded to talks with an envoy of the United Nations. Deputy Secretary-General Abraham Gambari's talks with Myanmar's military leaders proved futile. Crucially, apart from its initial statement in September 2007, ASEAN did not take any further action to address the situation.¹⁴ ASEAN's powerlessness was again demonstrated with the grouping's half-hearted attempt to respond to the charges brought against Aung San Suu Kyi. The military junta accused the Nobel Peace Prize laureate of breaking the terms of her house arrest. The international community widely condemned the accusations and the subsequent trial as a farce and a blatant excuse to extend the prison sentence of the political activist. Led by Thailand, which held the ASEAN Chairmanship at the time, the grouping released a statement, in which it expressed its "grave concern" over the court proceedings against Aung San Suu Kyi. Myanmar's government responded with a vehement rejection of the statement, calling it an attempt by ASEAN to interfere in its domestic affairs. Interestingly, it also rejected the statement based on a procedural error, noting that it had not been invited to participate in drafting the statement, even though decision-making within ASEAN is strictly consensus-based. ASEAN did not respond to this complaint but neither did it take any further action against Myanmar.

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While ASEAN as a group has little to no influence on developments in Myanmar, the same holds true for individual ASEAN members. Civil society organizations follow the continued imprisonment of Aung San Suu Kyi, the suppression of the opposition, and the persistent human rights violations committed by Myanmar's military regime and repeatedly call on their own governments to adopt a more critical stance towards Myanmar. Nonetheless, the readiness for action differs greatly among the leaders of these countries.

14 | The statement was made in New York where ASEAN leaders were participating in the UN General Assembly at the time the protests took place in Myanmar.

In 2001, Prime Minister Thaksin Shinawatra began replacing Thailand's previous policy of 'constructive engagement' with a more pragmatic strategy of interaction. The subsequent government, under the leadership of Prime Minister Samak Sundaravej, continued the same pragmatic approach of interaction and even criticized the West for its support of Aung San Suu Kyi. Championed by Thailand, a strongly worded ASEAN statement criticizing the trial against Aung San Suu Kyi shows that the country's new Prime Minister, Abhisit Vejjajiva, has adopted a more critical stance towards Myanmar's leaders. There are two main reasons that make it difficult for Thailand to openly criticize the Burmese government. On the one hand, Thailand is Myanmar's most important trading partner. On the other, repeated conflicts in the shared border regions could easily get out of control and turn into more complex bilateral difficulties, something which Thailand is keen to avoid.

Singapore is Myanmar's second most important trading partner among the ASEAN members and also one its main foreign investors. Singapore provides comprehensive development aid to Myanmar and many Burmese are educated at the country's tertiary institutions. The Singaporean government generally refrains from criticizing the military regime in Naypyidaw, only occasionally expressing its hopes for a conciliation process, such as in response to the suppression of the Saffron Protests or the renewed sentencing of Aung San Suu Kyi, for example.

And although civil society groups in Indonesia are increasingly vocal in their demands for strong opposition to the human rights violations in Myanmar, the government in Jakarta also prefers not to criticize the actions of the Burmese military junta officially. Until now, the Burmese government has chosen to ignore the advice of Indonesia's previous foreign minister, Ali Alatas, who advised the junta in 2007 to follow the example of Indonesia's military and withdraw from politics.

Among the Southeast Asian countries, the Philippines have been the most vocal in criticizing Myanmar. President Arroyo even went as far as to threaten her refusal to ratify the ASEAN Charter so long as there was no sign of political

progress in Myanmar. Yet, despite its public criticism, the Philippines have been reluctant to take concrete action against the military regime.

The failure of the ASEAN states to influence developments in Myanmar – be it collectively or individually – has two main reasons. On the one hand, Myanmar’s membership in ASEAN is considered to be of strategic importance as it strengthens ASEAN as a political actor. A possible withdrawal of Myanmar from ASEAN is, therefore, too great a risk, particularly as this would further strengthen the role of China and India in the region. On the other hand, since the principle of non-interference has been enshrined in the ASEAN Charter as the guiding principle of cooperation within ASEAN, the organization lacks the tools to effectively deal with the situation in Myanmar. Opposing attitudes and strategies of its members further diminish ASEAN’s ability to influence the leadership in Myanmar effectively.

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CHINA

The People’s Republic of China is Myanmar’s closest ally. The country’s support for the military regime largely explains why international sanctions remain futile. Myanmar was the first country to officially recognize the Communist leadership in Beijing in 1949, although it has sought to maintain a careful balance in its relations with this powerful neighbor.

China has continuously expanded its relations with Myanmar. The international community, in particularly the US and Europe, has frequently criticized Chinese support for the military regime in Myanmar. At the same time, there are calls for China to use its influence to promote political reform in the country.

China’s interests in Myanmar can be summarized as follows:¹⁵

15 | Li Chenyang and Lye Liang Fook, “China’s Policy towards Myanmar: Is it a Successful Model of Dealing with Myanmar Issue?,” in: *Myanmar: Prospects for Change*, ed. Li Chenyang and Wilhelm Hofmeister (Singapore: KAS and Yunnan University Press, 2010): 177.

1. To secure access to the Indian Ocean from Southwest China as the foundation of its 'Two Ocean Strategy';
2. To ensure security and stability in the Sino-Burmese border region;
3. To improve China's energy security;
4. To enhance economic cooperation;
5. To contain India's influence;
6. To enhance China's international image through development cooperation.

Invoking the principle of non-interference, Chinese politicians maintain that their country is neither able nor willing to influence the political developments in Myanmar. Nonetheless, Beijing admits to 'advising' the military government on how to cope with international pressure and how to solve its domestic problems. China mainly appears concerned with securing national stability in Myanmar and improving the living conditions of the general population. Indeed, expecting China to push Myanmar's leaders for a speedy democratization process is unrealistic. The Chinese frequently remind observers that the democratic reform process requires stable external conditions, something with which the international community could assist by respecting Myanmar's sovereignty and ending any unwanted intervention in the country's domestic affairs. China neither supports opposition movements nor opposition parties, choosing instead to cooperate with the official mass organization USDA.

The economic ties between China and Myanmar are much more extensive than official figures suggest. Officially, China has so far invested at total of one and half billion US dollars in Myanmar but its investments are soon set to eclipse those it undertakes in any other Southeast Asian country.

The economic ties between China and Myanmar are much more extensive than official figures suggest. Officially, China has so far invested at total of one and half billion US dollars in Myanmar but its investments are soon set to eclipse those it undertakes in any other Southeast Asian country. In addition to their economic ties, China and Myanmar also cooperate closely in other sectors, including education, science and technology, sport, and healthcare. Besides its direct cooperation with the military junta, China has also succeeded in either Myanmar from being internationally convicted, for example by the UN Security Council, the US, or the EU, or it has managed to at least limit the effect of sanctions against the country.

Thanks to its close interaction with Myanmar in a number of different sectors, China's influence in the country is considerably greater than that of the ASEAN members. Myanmar's government seeks to address the situation by inviting other regional players, such as India or ASEAN, to become more involved in the country. This hints that the majority of people in Myanmar are not overly fond of their Chinese neighbors.

INDIA

Myanmar was part of British India during colonial times. Bilateral relations between independent Myanmar and India were initially positive, yet began to decline following the military coup in 1962. India only started showing renewed interest in its Eastern neighbor in 1988 when it started to support the democratic movement in Myanmar. This decision by the Indian government strained relations with the military junta.

However, in light of China's rising involvement in Myanmar, India changed course in the mid-1990s and sought closer cooperation. In fact, bilateral ties between the two countries today are strong.

However, in light of China's rising involvement in Myanmar, India changed course in the mid-1990s and sought closer cooperation. In fact, bilateral ties between the two countries today are strong. Behind Thailand and ahead of China, India is Myanmar's second most important export partner. Many observers claim that India has observed China's blossoming relationship with Myanmar with growing mistrust and now seeks to counterbalance this influence. In any event, democratic India chooses not to publicly criticize the political situation in Myanmar and it is unlikely that it will intervene in the forthcoming election process.

JAPAN

Despite the harsh Japanese occupation of Burma during WWII, relations between the two countries have traditionally been relatively close. This may have to do with the fact that Burmese independence fighters were trained by the Japanese and that Japan made very generous reparation payments after the war. Between 1955 and 1988, over eighty percent of all foreign aid came from Japan, at times amounting to the equivalent of one third of Myanmar's

national income. Although relations have cooled in recent years, Japan neither supports international sanctions nor does it criticize the actions of the military junta.

UNITED STATES

In the four decades prior to the military coup in 1988, relations between the US and Myanmar had at times been close. The coup and the violent suppression of the opposition have led to a fundamental change in the US' attitude towards Myanmar¹⁶, as reflected in a series of sanctions that have become progressively stricter. These prohibit the importation of Burmese goods. In addition, the US bank accounts of leading representatives of the Burmese government have been frozen. While humanitarian aid is still possible in principle, it is tied to strict conditions such as administration by non-governmental organizations to ensure that government agencies do not profit from the resources.

Like its predecessors, the new US administration also demands the political opening up of the country and the release of all political prisoners. However, since President Obama took office, the previous embargo policy has been supplemented with a strategy, which instead focuses on pragmatic engagement. In March 2009, the new US government began a consultation process with various groups and institutions both within and outside Myanmar – including the opposition. The result of this consultation was a new, pragmatic approach that also includes contact with the Burmese government. The release of the opposition figure, Aung San Sun Kyi, still remains a key aspect of US demands. Nonetheless, several meetings between high-ranking US representatives and members of the Burmese government took place throughout 2009. In August 2009, Senator Webb met Aung San Sung Kyi and the leader of the military junta, General Than Shwe, during a visit to Myanmar. Senator Webb reported that members of the military government had expressed interest in improving ties with the US government.

16 | David Steinberg, "The US, China, and Burma/Myanmar: Reconsidering the Siege of an Outpost of Tyranny?," in: *Myanmar: Prospects for Change*, ed. Li Chenyang and Wilhelm Hofmeister (Singapore: KAS and Yunnan University Press, 2010): 331.

These demands have been repeated on various occasions by several members of the US administration, including Secretary of State Hillary Clinton when speaking at the United Nations. The Obama administration has not stopped there and is seeking to work towards a gradual change in the country's political regime through direct contact and dialog. It has been noted repeatedly that the change in US strategy towards Myanmar is supported by Aung San Sun Kyi. In a letter to General Than Shwe dated October 1, 2009 the Nobel Peace Prize laureate gave her support to the removal of Western sanctions against Myanmar and offered to hold talks with representatives of the US, the EU, and Australia. She was given permission to hold a meeting of this kind on October 10, 2009.

Nonetheless, the US administration still advocates participation by opposition parties in the election, as it is hoped that this will lead to a gradual opening up of the political regime.

The new law on party registration, which disqualifies Aung San Suu Kyi, was strongly criticized by the US government, the media, and various organizations. Additionally, these have expressed concerns about the legitimacy of the election process.

Nonetheless, the US administration still advocates participation by opposition parties in the election, as it is hoped that this will lead to a gradual opening up of the political regime. The US may abolish its embargo against Myanmar, if the election proceeds in accordance with the principles of freedom and fairness, and if the newly-elected parliament calls for these sanctions to be lifted.

While human rights protection is important to the US, it has been monitoring the rising influence of China in Southeast Asia with some concern – particularly in Myanmar. At the same time, Washington cannot fail to notice that sanctions have proven to be an unreliable instrument for isolating Myanmar's military regime. Since the embargo was imposed in 1997, Myanmar's foreign trade has continuously risen and the country has received foreign direct investments of over ten million US dollars. It should also be noted that sustained sanctions make it difficult to tackle issues with wider security implications, such as drug and human trafficking. Following discreet negotiations, Myanmar's authorities prevented a North Korean vessel suspected

of weapons transport from docking in a Burmese port in October 2009. This shows that the regime is, indeed, open to offers of closer dialog. Thus, signals of this kind are likely to reinforce the US' strategy of pragmatic cooperation.

EUROPEAN UNION

With an increasingly pragmatic approach being taken by the new US administration, the Europeans will also have to reassess their own strategy towards engagement with the military regime in Myanmar. The EU started to impose sanctions against the Burmese regime in 1996. These sanctions deny visas for leading representatives of the

regime and their families, place an embargo on weapons, freeze the assets of members of the military, and the deny loans for state enterprises. In 2007, additional restrictions were placed on the export and import of, and the investment in, several natural resources such as timber, minerals, and gemstones.

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The EU offers comprehensive humanitarian aid, which, prior to cyclone Nargis, had been refused by the Burmese government as an expression of their anger over EU trade sanctions. In general, the EU appears torn as to how it should deal with Myanmar. Proponents of stricter sanctions, including the European Parliament and some EU member states such as the UK under the leadership of the former Prime Minister, Gordon Brown, argue that sanctions will force the military regime to open up the political system. Most recently, the EU has begun to participate in dialog sessions with the Burmese government. If the upcoming election and the results indicate the start of a transition process in Myanmar, the EU will clearly have to reassess its current strategy.

OUTLOOK: POLITICAL CHANGE IS POSSIBLE BUT THE DEVELOPMENT OF DEMOCRATIC CONDITIONS REQUIRES SUBSTANTIAL INTERNATIONAL SUPPORT

It remains to be seen whether the election at the end of 2010 will mark the beginning of a political transformation process. In any event, the majority of the Burmese population and the international community – not least many ASEAN members – hope that the election will create

a parliament and a civil government that will eventually bring about further political reforms. The fact that many of Myanmar's current leaders are now in their old age and suffering from health problems is a further indication that the election will mark the beginning of a process of political rejuvenation, one which is not limited just to passing on command to younger officers.

Myanmar's political regime has shown that it can withstand both the political opposition in the country and international pressure. Nonetheless, it is safe to assume that the military junta will stick to its 2003 roadmap towards democracy – as it has been doing thus far¹⁷. Neither the protests of the Buddhist monks in August and September 2007, the negotiations with Aung San Suu Kyi and the NLD, the various UN missions, nor the natural disaster have caused the regime to stray from the roadmap. It remains to be seen, however, whether the election will be as fair and free as promised in the roadmap. This would, undoubtedly, make it much easier to obtain the blessing of the international community for the election

results and to soften the stance of the US and the EU towards the country. Considering the situation on the ground along with the institutional prerequisites, such as the reservation of important positions of power for the military and one quarter of parliamentary seats, for example, it seems unlikely that the election will fundamentally alter the political reality overnight. It is important to remember, however, that the transition process in other countries was also a gradual one, and that international support is required to help Myanmar overcome its many political, economic, and social problems.

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17 | E.g. the reconvening of the National Convention in May 2004, the announcement of constitutional principles in September 2007, the presentation of the draft constitution in February 2008, and the referendum on the constitution in May 2008.