

“Full democratization may not be achieved in the near future, but given that the reform process was initiated by the regime, Myanmar has come a long way.”

How Real Are Myanmar's Reforms?

CHRISTINA FINK

Since 2011, Myanmar has undergone a period of extraordinary political and economic change. The government has partially democratized, reengaged with the international community, and sought to improve ordinary citizens' quality of life. Yet for all these achievements, the transition process has been uneven. The military has maintained a large degree of power and influence, and divisions persist within the government regarding the extent to which political openness and public accountability should be institutionalized. Further reforms are likely to be contentious.

Although Myanmar's previous military regime long claimed it was implementing a roadmap to democracy, few expected the junta to relinquish its hold on political power. Indeed, voter intimidation and vote buying tarnished the 2010 election for the first parliament in 50 years. Opposition leader Aung San Suu Kyi was still under house arrest at the time, and many political activists and members of opposition parties languished in prison. Aung San Suu Kyi's National League for Democracy (NLD) and ethnic-based political parties that had run in the 1990 election (after which the military refused to recognize the NLD's victory) boycotted the 2010 election. The military-backed Union Solidarity and Development Party won a landslide victory, and most of the top cabinet posts went to ex-generals who had held high positions in the former regime.

Yet, unexpectedly, change came quickly. On the political front, President Thein Sein, a retired general and former prime minister, responded to international calls for greater political openness in return for the lifting of sanctions. In 2012, the government freed most political prisoners, and Thein Sein met privately with Aung San Suu Kyi

to discuss how to bring her party into the formal political process. This paved the way for the NLD to run candidates in the 2012 by-elections for seats left vacant by parliamentarians who had taken cabinet posts. The by-elections were largely free and fair, and the NLD won 42 of the 43 seats it contested. Aung San Suu Kyi herself won a seat.

Civil war has wracked Myanmar for over 60 years, with ethnic minority groups fighting for a measure of autonomy in their regions. Most of the armed groups negotiated individual cease-fire agreements with the military regime; however, the truces were fragile, and the regime refused to discuss the political rights of ethnic minorities. Thein Sein has stressed the need for a durable peace, calling for amending the constitution to take ethnic rights into account. His senior cabinet minister, Aung Min, has held several rounds of peace talks with 17 armed groups, seeking to achieve a nationwide cease-fire accord and then move on to political talks. Although progress has been slower than the government expected, public discussions about ethnic rights and even federalism (which the junta insisted would lead to the disintegration of the country) are now possible.

POLITICAL OPENINGS

The government has taken other actions to demonstrate a commitment to greater political openness. The executive branch quickly introduced legislation that would allow freedom of assembly and the formation of independent workers' associations with the right to strike. The legislature passed these measures in October 2011. In 2012, the government lifted censorship on the media and allowed private newspapers to put out daily editions. Previously, only weekly news journals were permitted, and each issue had to be preapproved by the Ministry of Information's press scrutiny board.

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The president's willingness to admit past mistakes and engage to some extent with civil society has enabled a degree of citizen activism once unthinkable. Civil society organizations have taken advantage of the newly opened space to mobilize, form alliances inside and outside the country, and participate in political activities. They have campaigned for the rights of farmers, workers, women, and ethnic minorities, as well as for environmental causes and political reform. Urban citizens, in particular, feel much less constrained than in the past.

The Union Parliament, which was expected to function as a rubber stamp for the executive branch, has also surprised domestic and foreign observers. After an anemic first session, the legislature has become increasingly independent and proactive. Members have not only discussed and revised legislation proposed by the executive branch but also developed their own measures and formed a number of committees and commissions. The Lower House's Land Seizure Inquiry Commission has proved especially noteworthy by opening an investigation of land grabbing by the military and calling for government action.

Despite belonging to the same party as the president and cabinet ministers, the speakers of the parliament's two houses have used the legislature to check the power of the executive branch. Parliamentarians have reviewed the administration's annual budget proposals with a fine-tooth comb and demanded changes. They also routinely call in senior government officials to respond to constituents' complaints and criticisms. The executive branch has not appreciated this activism—many ministers feel that the legislature has overstepped its mandate—but it has been tolerated.

ECONOMIC EASING

Thein Sein has also attempted to respond to citizens' economic needs far more than the military regime did. Asserting the importance of people-centered development, his government has increased spending, albeit moderately, on health, education, and agricultural support for smallholder farmers. The government also put more funds into infrastructure development, particularly road and bridge construction in rural areas.

After holding an open bidding process, the administration awarded contracts to two international telecommunication firms to provide affordable and accessible mobile phone service. Previously, the supply of mobile phones and SIM cards (used to connect a phone to a telecom network) was tightly restricted due to the regime's concerns about antigovernment organizing. As a result, in the early 2000s, SIM cards cost \$5,000 apiece. Once the new mobile phone services are up and running, the price of the cheapest SIM cards is expected to be just a few dollars.

Thein Sein's government has initiated a number of reforms to encourage the influx of foreign investment and aid. The measures demonstrate the president's resolve, because they have eliminated economic privileges for the military and the elite. Most importantly, in 2011, the government allowed the Burmese kyat to float at a managed exchange rate close to the unofficial rate, which was approximately 1,000 kyat to the dollar. Prior to that, an official exchange rate of

6 kyat to the dollar and a much higher unofficial exchange rate had allowed military personnel and their affiliates to pocket the difference.

The dual exchange rate had also made it possible for the generals to divert a portion of the revenues from the sale of natural gas for military or personal use. However, Thein Sein's government began the process of joining the Extractive Industries Transparency Initiative and was accepted as a candidate country in July 2014. If the protocol is followed, the administration and corporations in the extractive sector will need to publicly report payments and revenues. The goal is to ensure that the proceeds are used for sustainable development that benefits the public.

The government has instituted reforms to make the central bank relatively independent, and has revised regulations to enable the expansion of the banking sector and to allow the use of ATMs. In addition, the government drafted a foreign investment law. After extensive debate in the parliament, some protections for domestic corporations were incorporated, but the passage of the law in 2013 was an important step in signaling that Myanmar is open for business. Foreign investors have visited the country

Repressive laws from the past remain on the books and can still be used against activists, opposition politicians, and journalists.

in droves. Many are adopting a wait-and-see approach, given the poor infrastructure and many remaining uncertainties. Still, the new policies helped the country achieve a 7 percent increase in GDP in 2013.

INTERNATIONAL OUTREACH

Thein Sein's administration also reached out to international financial institutions and foreign governments that had been reluctant to engage with the military regime. Through donor and investment forums and trips abroad by top officials, the government was able to persuade many that the reform process was genuine. As a result, Japan agreed to cancel \$5 billion of Myanmar's debt, and Western countries also canceled or rescheduled payments for much of the remaining debt. Japan extended new loans, including a bridging loan to help Myanmar to repay its debts to the World Bank and the Asian Development Bank. That in turn allowed those two donors to provide new loans and grants for poverty-reduction programs.

In response to the post-2010 political reforms, most Western countries revoked their economic sanctions on Myanmar, while the United States suspended most of its sanctions in 2012. But Washington still does not allow American companies to do business with individuals associated with the repression of the pro-democracy movement under the military regime.

The US government has engaged at a high level with the new government in order to support the reform process. President Barack Obama visited Myanmar in 2012 and Thein Sein was received at the White House in 2013. The United States also appointed an ambassador to Myanmar, after having left the post empty since the Burmese military's brutal crackdown on pro-democracy demonstrators in 1988.

As it has achieved greater international acceptance, Myanmar has begun recalibrating its rela-

tions with other countries in the region. It has gone from being a pariah to a state on more equal footing with its neighbors. Government officials are well aware that relations with China will always be important, but they are no longer so reliant on their most powerful neighbor. In 2014, Myanmar began its turn as the chair of the 10-member Association of Southeast Asian Nations and convened the first summit of regional leaders without a hitch. Myanmar's political and economic opening has intensified competition among the United States, China, Japan, and India for influence over the strategically located country.

MILITARY INFLUENCE

While many striking reforms have taken effect, there are also areas in which little has changed. The military retains key political powers and continues to administer regions where armed ethnic nationalist groups have been active. The quasi-civilian government has kept many repressive security laws on the books and used them to signal the boundaries of what will be tolerated.

The armed forces' political role is guaranteed by several key provisions in the 2008 constitution. First, 25 percent of the seats in the union (or central) level as well as state and regional level parliaments are reserved for the military. (The country is divided into seven ethnic states and seven Burman-majority regions, each with its own legislature, although most power still resides with the union government.) Second, an amendment to the constitution on any issue of importance must be passed by more than 75 percent of the union parliamentarians (followed by a popular referendum), effectively giving the military veto power over constitutional changes.

Third, three crucial ministerial positions are reserved for the military—namely the ministers of defense, home affairs, and border affairs—with the possibility of additional military personnel serving in other cabinet posts. Fourth, military

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"[A] less 'revolutionary' Sinocommunist is now in the process of formulation. And the present prospect is that the People's Republic of China, operating on the basis of a reinterpreted and revised Maoist communism, will by the year 2000 have come close to achieving its goal: to be 'a powerful modern socialist state' in political, economic *and* military terms."

O. Edmund Clubb "China After Mao," September 1977

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members of parliament are accorded the right to select one of the three candidates for the positions of president and the two vice presidents. (The parliament as a whole votes on the three candidates, but at least one of the three positions must be held by a military appointee.) Fifth, the National Defense and Security Council is dominated by the military, and the constitution allows the military to take power if the council authorizes it to do so. Finally, military personnel who commit crimes cannot be tried in a civilian court, and a blanket amnesty protects them from being charged for any abuses committed before the 2011 transition.

In addition, the military has its own channels for obtaining funding should its leadership consider its parliament-approved budget insufficient. The military's proposed official budget has passed every year since 2011 despite complaints from some opposition parliamentarians about the much larger allocation it receives compared with health and education. Still, a special funds law promulgated by the outgoing regime enables the military to requisition funds from the president as needed, with no parliamentary oversight. Also, it continues to run two large conglomerates, Union

Military Economic Holdings Ltd. and Myanmar Economic Corp., both of which provide substantial revenue.

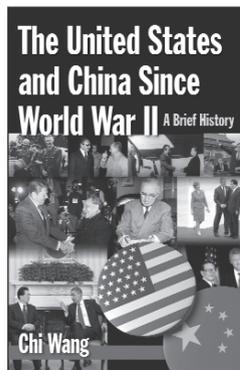
While the military leadership is in a position to exercise significant political power, thus far it has sought only to protect military prerogatives while allowing retired military personnel and civilians in the executive branch and the parliament to act as they see fit. The commander-in-chief, Senior General Min Aung Hlaing, has not interfered in economic policy making, and the military members of parliament have gone along with other members on bills that do not directly affect the military's interests. In fact, the speakers of the two houses have criticized the military members for their silence and urged them to contribute more by voicing their opinions and participating in committees.

By contrast, in the former and ongoing conflict areas in the ethnic states, the military has reigned supreme and undermined the government's peace efforts by strengthening its presence. This has been particularly true in Kachin State, where a 17-year cease-fire broke down in 2011 and fighting has continued ever since. Soldiers in the conflict areas have continued to commit human rights

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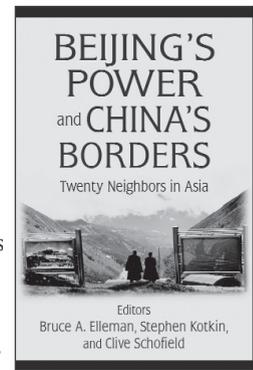
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abuses against civilians, including rape, torture, and the destruction of homes and other property. Over the past 50 years, such abuses have resulted in hundreds of thousands of internally displaced people and refugees.

A further example of continuity with the old regime is that the judiciary has remained beholden to the executive branch. The influence of the authorities has been apparent, for instance, in sentences handed down to journalists and civil society activists. While the parliamentary rule of law committee has reported on inappropriate government interference and bribery, the executive branch has not made any serious efforts to loosen control over the judiciary or to clean up judicial corruption.

MUSLIM SCAPEGOATS

Another disquieting development has been the intensification of anti-Muslim sentiment. The political transition has fanned both high expectations and insecurities, with fears that some groups will gain at the expense of others. Resentment over the immigration and economic success of South Asians and Chinese during British rule has continued to fester, and since 2012 it has been directed particularly at Muslims.

Hostilities are greatest in Rakhine State, where the ethnic Rakhine population refuses to accept the hundreds of thousands of Muslim residents who identify their ethnicity as Rohingya. The staunchly Buddhist ethnic Rakhine insist that the Rohingya are “Bengali,” meaning people from Bangladesh. They assert that citizenship should be granted only to Muslims who can prove their ancestors resided in Myanmar prior to 1823, the year that the British annexed Rakhine State to their South Asian empire. The Rakhine worry that the Rohingya will eventually outnumber them, giving Muslims political and economic control of the state.

Throughout the country, similar anti-Muslim sentiment has taken many forms. The “969 movement” led by Ashin Wirathu, a popular Buddhist monk, has stirred up nationalism and religious chauvinism through public talks, encouraging Buddhists to boycott Muslim businesses. Between 2012 and 2014, communal violence broke out in Rakhine State and other parts of the country, resulting in the destruc-

tion of homes, businesses, and mosques and the deaths of well over 100 people, most of whom were Muslims. In July 2014, violence erupted in Mandalay, Myanmar’s second largest city, after rumors about an alleged rape of a Buddhist woman by a Muslim man spread on Facebook and by word of mouth. Two people were killed, and an indefinite nighttime curfew was imposed. In Rakhine State, 140,000 displaced Muslims are languishing in fenced-off camps with insufficient food, water, and medicine; they have no prospects of being able to return home. There is widespread speculation that previously powerful individuals or groups who have lost out in the reform process may be instigating the violence. The police have taken insufficient measures to prevent or stop the violence, whether because of tacit support for the Buddhist perpetrators or inability to control the mobs.

Some Buddhist leaders have proposed legislation that would limit the number of children Muslims could have, require official permission for religious conversion, and prohibit non-

Buddhist men from marrying Buddhist women. Bills drafted by the Ministry of Religious Affairs would, if enacted, constitute a new dimension of state control over citizens’ personal lives. Women’s organizations and

a number of other prominent civil society groups have decried these developments and called for religious tolerance and respect for women’s rights. Their calls have been echoed by some leaders of other religious faiths and a few senior Buddhist monks. But members of the ruling party and even Aung San Suu Kyi have stayed silent, in hopes of winning the support of the Buddhist majority in the 2015 election. Myanmar has a long tradition of kings and political leaders acting as protectors and promoters of Buddhism, and at least part of the Buddhist population would like the government to take on this role.

RIGHTS RESTRICTED

Meanwhile, the parliament has passed a number of new laws that, while more progressive than in the past, contain provisions that continue to privilege state security over the rights of citizens. The way the laws have been implemented also suggests that the administration prefers to maintain some limits on how much criticism

The armed forces believe their political role should only be reduced gradually and on their own terms.

and direct protest will be allowed. The peaceful assembly law requires demonstrators to first obtain permission from the police. If permission is denied, which has happened frequently, and the demonstrators go ahead anyway, they can be sentenced to one year in prison. Between mid-2012 and mid-2014, more than 100 individuals who participated in unapproved protests were charged with violating the law, and 33 were given prison sentences. The law was reviewed in early 2014, and civil society organizations as well as some opposition lawmakers argued that police permission should not be required. The parliament was not willing to go that far. The majority voted to require permission but stipulated that it could only be denied for “valid reasons.” Violators could still be sent to prison, but for six months rather than twelve.

Myanmar's 2014 Printers and Publishers Registration Law is similar to Singapore's law. It requires publishers to obtain a license from the Ministry of Information, rather than register as a business, as is the common practice in democracies. Moreover, the license can be revoked if the publisher is accused of vaguely worded offenses such as threatening “national security, rule of law, or community peace and tranquility.” Several journalists were arrested in 2013 and 2014 for their reporting, suggesting that the media may need to engage in self-censorship to stay in operation. Other repressive laws from the past remain on the books and can still be used against activists, opposition politicians, and journalists who challenge the government in uncomfortable ways.

Finally, despite the government's interest in improving citizens' standard of living, many land-grab cases remain unresolved. Much of the land that was seized for military installations, infrastructure projects, and agribusinesses had been marked as vacant on state land records even though it was being tilled by farmers who had tax receipts to prove ownership. The government has made efforts to increase the number of farmers who have title to their land, and some have had their property returned to them or received compensation. However, the scale of the problem is huge, and with land prices rising dramatically, the cost of compensating everyone who has been affected would be enormous.

In the meantime, land confiscation continues for development projects in central Myanmar and the ethnic states, giving rise to problems with reset-

tlement and compensation. Smallholders' interests have been insufficiently addressed despite the fact that secure land tenure could be a key building block for improved living standards in a country where approximately 70 percent of the population is engaged in agricultural work.

HOW FAR TO GO?

There is a widely shared desire within Myanmar to see the country develop and attain the status of a leading power in Southeast Asia. This requires, among other things, a strong economy. The political and military leadership know that sustained economic growth depends on maintaining a significant degree of economic openness. As a result, most, if not all, of the economic reforms seem likely to stick.

However, the leadership is well aware that other countries in Southeast Asia have managed to engage politically and economically with key international players without adopting full democracy. While many people in Myanmar would like to see greater liberalization, it is probably fair to say that the political reforms have already gone farther than some in the military expected or are comfortable with. Thus, there are concerns that efforts to reduce its prerogatives could result in the military's exerting more direct control over politics. On the other hand, the generals' perspective on the political reforms may continue to evolve, perhaps allowing the country to follow Indonesia's example of gradually reducing the role of the military in politics.

One prerequisite for narrowing the military's mandate would be peace in the ethnic states. The military's strategy for achieving this has been to compel the ethnic nationalist armed groups to surrender their weapons and demobilize their fighters. However, several of the groups have called for the integration of their forces into a federal army. A compromise must be reached. A durable resolution to the conflict will also require a greater degree of political autonomy for the ethnic states. The major parties in parliament have all indicated they are willing to support changes to the constitution to allow this, but there are still questions as to how much autonomy the government and the military are willing to concede.

In addition, the armed forces believe their political role should only be reduced gradually and on their own terms. However, the military is currently under pressure to make significant

concessions. Aung San Suu Kyi and her party have called for several changes to the 2008 constitution, both to reduce the military's power and to enable her to run for president in 2015. The constitution disqualifies anyone whose spouse, child, or child's spouse is a foreign citizen from becoming president; Aung San Suu Kyi's late husband was British, and neither of her sons is a Burmese citizen.

The NLD is particularly interested in eliminating the military's veto power over amendments to the constitution, since this is the key to being able to change other objectionable articles. Together with well-known former student activist leaders, Aung San Suu Kyi has held political rallies throughout the country and initiated a petition campaign to change the amendment clause, despite warnings from the election commission to stop.

Interestingly, the parliamentary constitutional amendment committee, which is dominated by ruling party members, recommended reducing the majority of parliamentarians needed to amend the constitution to 67 percent, but rejected the proposal to change the requirements for presidential candidates. The ruling party will likely do better in the 2015 elections if it can show that it is responsive to citizens' concerns—but also if Aung San Suu Kyi is not eligible for the presidency. Senior generals are also wary of the prospect of her winning the presidency,

because they fear that she would act to reduce the military's power.

NEW DYNAMICS

Since 2011, political dynamics have developed in unexpected ways. Political observers had expected friction between the president and the commander-in-chief of the military, since the power that had been vested in the head of the old regime was split between these two positions. This has not come to pass. Instead, there has been tension between ruling party members in the executive and legislative branches, and between Lower House Speaker Thura Shwe Mann, who hopes to become president, and the commander-in-chief, Min Aung Hlaing, who may also run. Tension has also risen between cabinet ministers who are spearheading political and economic reforms and those who see such reforms as threatening. In the years ahead, with different people in these positions, the relations among and within the various institutions may well change.

Full democratization may not be achieved in the near future, but given that the reform process was initiated by the regime, Myanmar has come a long way. Spoilers will inevitably seek to undermine changes that affect their interests, and those seeking rapid change will doubt the effectiveness of a gradualist approach. However, if a spirit of compromise and broadmindedness prevails, Myanmar's progress can continue. ■