Interpreting Recent Developments in Myanmar as an Attempt to Establish Political Legitimacy

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Myanmar is currently undergoing widespread changes that are transforming the country’s political and socio-economic landscape. These changes include the newly promulgated Constitution that was ratified in 2008 and a national election held in November 2010. Additionally, by-elections in April 2012 saw the return to Parliament of the National League for Democracy and its leader Aung San Suu Kyi. The reforms under the new Thein Sein-led government include a congenial working relationship with the political opposition, freeing political prisoners and the granting of amnesty to political exiles to encourage their return, the negotiation of ceasefire agreements with almost all of the ethnic insurgent armies, and the inauguration of the Myanmar Peace Centre as a vehicle for the resolution of domestic conflict. These and related reforms are designed to secure the government’s internal and external political legitimacy which it has lacked since the fall of the previous socialist government in 1988.

Keywords  Myanmar, democratization, political reforms, political legitimacy, Aung San Suu Kyi

Introduction

This article examines the changes that have taken place in Myanmar since the November 2010 national election. It seeks to take stock of the major achievements of the government as well as the challenges that lie ahead for the country. Although the new government has earned itself much goodwill both domestically and internationally with its major efforts at political reform and reconciliation there remain serious challenges that will take time to solve. Consequently, the ongoing efforts of the new government led by President Thein Sein are very much a work in progress.

The central argument of the article is that both internally and externally the
previous military government lacked political legitimacy. Political legitimacy is defined here simply as a government having widely recognized sovereign authority and the absence of significant contestation of such authority. Additionally, in line with international practice, a sovereign government retains the exclusive right to the use of force. For Myanmar, the lack of such legitimacy is a historical problem inherited from the socialist government that collapsed in 1988. The government’s political legitimacy since the time of independence has been challenged by an active Communist insurgency and a motley crew of drug warlords (Tin 2007, 315). Besides, from the very outset, the nation-state, as it was constituted at the time of political independence in 1948, was deeply contested by various ethnic minority groups each with its own conception of legitimacy (Steinberg 2007, 109). The 2010 election, therefore, provided the previous military government with a window of opportunity to change the country’s political and economic orientation in an attempt to secure broad-based legitimacy. It was also the culmination of a process that the military claimed it had undertaken since 1993 when it first unveiled a roadmap to democracy. The decision of the current government to deeply engage and work with the political opposition is a significant break from the practices of the previous government that was scornful of Suu Kyi and the National League for Democracy (NLD), regarding them as a proxy for Western interests and ambitions. Conveniently, the reforms undertaken thus far and the widespread international approval they have received also negate the necessity to hold the previous military government responsible for any excesses that it may have committed and which, in fact, had resulted in international sanctions against the regime.

Organizationally, this article is divided into four major sections. The first section briefly examines the country’s historical legacy in order to place the discussion within a contextual perspective. The second section then details the reforms that the government has undertaken, while the third identifies the major challenges that still lie ahead. The fourth section looks at the political possibilities towards the end of the current government’s term in 2015 and attempts to plot possible trajectories into the future.

Historical Legacy

Burma, as the country was called until 1989, was colonized by the British as an extension of their imperial economic interests in India. The country fought three wars during its resistance against colonial occupation. The British acquired control of the entire country in 1886 after the conclusion of the Third Anglo-Burmese War, and went on to rule the country until independence was granted shortly after the Second World War in 1948. For most of the colonial period the country was ruled from India and colonial policy and administration of the
country was piecemeal (Taylor 1987, 69; 2007, 73; 2009, 70-1). In fact, the British only administered the lowland plains that came to be called Ministerial Burma. The highlands or frontier areas that were inhabited by ethnic minority groups were too difficult to access on account of dense forestation and the threat of malaria. Conveniently, such groups were dealt with through treaties that allowed them to retain a good measure of autonomy, and in a worst case scenario some of these groups were allowed to secede from the political union under the Panglong Agreement of 1947 (Taylor 1987, 286; 2009, 288; Steinberg 2006; 2007, 114).

At the time of independence, there were a number of immediate political problems that confronted the country. One of the most significant of these was the country’s heterogeneous ethno-linguistic population. The British had documented the presence of some 135 ethnic groups prior to the outbreak of the Second World War. The independence leader Aung San had managed to placate many of the minority groups with liberal political arrangements. Subsequent elites, however, were unable to hold the peace, and shortly after independence many of the ethnic groups that were disproportionately represented within the military broke off and formed their own insurgent armies. The British recruitment of ethnic highland minorities was driven by their preference for “martial races,” which were regarded as more suitable for soldiering, and their deep distrust of the Bamar majority that had sided with the Japanese during the Occupation and had fought against the British and their allies (Thawnghmung 2008, 5; Ganesan 2010, 3). Of the approximately 26 ethnic insurgent armies, the largest were those who represented the Karen, Kachin, and the Shan (Smith 1991; 1999).

The second major problem that confronted the new government was the presence of a large detachment of Chinese soldiers from the Kuomintang who were trapped in the Shan states during their conflict with Chinese Communist troops. The former were supported by the U.S. Central Intelligence Agency while the latter were supported by the Chinese government (Ganesan 2005, 36; 2010, 4; 2011, 99). The Burmese government was unable to control this conflict that raged within its borders until the 1960s. An added complication was the fight between the Burmese Communist Party (BCP) and the elected government. Collectively, the newly independent state suffered from a legitimacy crisis right from the outset.

In light of these challenges and the weak structural and enforcement capacity of the government, the domestic political situation deteriorated rapidly. In 1959, the Burmese military staged its first coup against an unstable elected government and acted in a caretaker capacity for six months. The second coup was staged in 1962 against the U Nu government and military rule lasted much longer—until 1988 (Maung 1981, 9; Taylor 2009). During that period the military strongman Ne Win headed the country and rule was exercised through the Burma Socialist Programme Party (BSPP) that was formed after the coup. The
regime also practiced a foreign policy of neutrality attained through isolationism. Consequently, from 1962 onwards Burma cut itself off from the rest of the world and practiced a policy of self-sufficiency that significantly weakened the country’s economy and infrastructural capacity (Ganesan 2005, 32; 2010, 4-5; Haacke 2006, 10; Steinberg 2001; Taylor 2009, 355-56).

The collapse of the BSPP government in 1988 occurred at a time when a number of other developments were taking place simultaneously. These included the implosion and collapse of the BCP that in turn led to the formation of two more insurgent armies representing the Wa and the Kokang. The collapse also coincided with widespread demonstrations led by students calling for democracy which were violently put down by the government (Kyaw 2008; 2011). And finally, this was also the time when Aung San Suu Kyi returned to Burma to care for her ailing mother. This confluence of events had a major impact on domestic developments and led to the military’s initial agreement to implement democratic reforms and nationwide elections in 1990 in order to secure political legitimacy. Suu Kyi’s NLD won a landslide victory in the elections, but the outcome was subsequently ignored by the military government because it had sought to buttress its own political legitimacy through an election victory. From 1990 onwards, Suu Kyi was periodically detained and the NLD was heavily scrutinized and harassed. The government’s denial of victory to the NLD, regular detention of opposition politicians, and the large number of political prisoners deeply undermined its political legitimacy, both at home and abroad.

In order to stabilize the domestic political situation the military junta signed ceasefire agreements with some 20 ethnic insurgent groups which were then allowed to retain control of a designated contiguous territory while retaining their weapons (Smith 1991; 1999; Steinberg 2006). The government also had to serve notice to those groups if it chose to enter these areas. On the other hand, it mounted major military offensives against groups that did not sign such ceasefire agreements. The military government also embarked on a series of reform initiatives with the aim of enhancing its political legitimacy, at least domestically. In 1997, the State Law and Order Restoration Council (SLORC), which had ruled the country from 1988, underwent a name change and called itself the State Peace and Development Council (SPDC). The government then embarked on a National Convention, first announced in 1993, that drew in the country’s different ethnic and interest groups to write a New Constitution. This process was in turn part of a seven point “roadmap to democracy” introduced in 2003 (Holliday 2011, 82). The Constitution that was subsequently crafted and announced in May 2008 was eventually ratified through a public referendum shortly afterwards, and it now serves to guide the country’s institutions (Taylor 2009, 487). Many of the ethnic insurgent groups and the NLD refused to participate in the National Convention, and there were widespread allegations of voter fraud during the referendum for approval of the Constitution that was held against the backdrop
of the devastation wrought by Cyclone Nargis earlier the same year. The 2010 elections were then held based on the 2008 Constitution and the government’s mass-based party, the Union Solidarity and Development Party (USDP), won a landslide victory. The NLD refused to run in the elections although a breakaway faction, the National Democratic Front, did participate.

The broader international community was also not persuaded by the junta’s roadmap and partial political changes. Member countries of the regional Association of Southeast Asian Nations (ASEAN) had always remained engaged with Myanmar even though they were unable to persuade the military regime to undertake reforms. In fact, in the early 1990s, Thailand proposed a policy of more robust and flexible engagement with the Myanmar government—a policy initiative that did not win support from the other ASEAN members and eventually petered out (Narine 2002, 195; Haacke 2003, 172-77). Consequently, many elites in ASEAN were disillusioned with the negative publicity that the membership of Myanmar brought to the organization after 1997 (Roberts 2010, 234-35; Weatherbee 2009, 300-01).

The elected government of 2010 is predominantly led by senior military officers. The SPDC’s most senior officers, Generals Than Shwe and Maung Aye, retired from politics and turned over power to Thein Sein who currently serves as President of the country. Most of the ministers in the cabinet are drawn from the military and are effectively soldiers in mufti. In August 2011, Thein Sein made a conciliatory gesture to Suu Kyi by inviting her to the new administrative capital of Naypyitaw for a meeting on economic reforms. Most observers attribute the good relationship between the President and Suu Kyi to this meeting when she was very well treated in a collegial manner elevating her status with government officials (Kyaw 2012, 1-3). The idiosyncratic gestures of Thein Sein and his sincerity in moving the country forward are said to have made a deep impression on Suu Kyi. Since then, the relationship between the two has been maintained on an even keel. And it was on the basis of this meeting and the goodwill that ensued that the NLD was subsequently allowed to register as a political party and won 43 out of 45 seats in the April 2012 by-elections that brought Suu Kyi to parliament.\(^6\)

Major Reforms of the New Government

Accommodation of the Political Opposition
The Thein Sein government has undertaken wide-ranging reforms since it was elected in 2010. Most of these efforts are aimed at enhancing the government’s political legitimacy internally and externally. The process of deflecting and co-opting domestic challenges to its political legitimacy has earned the government broad recognition, including from its strongest detractors. The major political achievements include its conciliatory efforts towards the political opposition and
the signing of peace treaties with almost all the ethnic insurgent armies. With regard to its dealings with the political opposition, the earliest indications of a positive relationship between the two parties, after the August 2011 meeting, was the government’s decision to allow the NLD to re-register as a political party to compete in the 2012 by-elections.

Suu Kyi’s change of heart to compete in the April 2012 by-elections is significant since it brought the government and the NLD closer together in terms of finding a political solution to the previous impasse. This was no mean feat since it was widely known that Than Shwe deeply disliked Suu Kyi, and many senior members of the SPDC regarded her as a traitor for urging the West to impose and maintain sanctions on Myanmar (Kyaw 2012). Her marriage to British academic Michael Aries and the fact that her two sons carried British citizenship also worked in her disfavor.

There is an extremely strong xenophobic undercurrent in the country’s psyche, especially within the military that has always regarded itself as the champion of the country’s freedom (Callahan 2004). At the popular level, this xenophobia was expressed in terms of riots against the Chinese and Indian migrant communities in the 1960s. The British colonial period witnessed liberal immigration into Burma and the new migrants were far more successful socio-economically. Furthermore, the Indians were often favored by the colonial authorities for administrative appointments. J. S. Furnivall, in a much cited work, argued that British colonial policy in Burma created a plural society only superficially since there was no deep understanding between the locals and foreigners. Hence the locals only acknowledged others within the framework of a market place where different communities gathered for business (Furnivall 1956). Consequently, the locals became poor and disadvantaged in their own country and this state of relative deprivation fuelled strong xenophobic sentiments at the time of political independence in 1948. The isolationist foreign policy pursued by the Ne Win government from 1962 to 1988 only worsened the country’s position in terms of its dealings with foreign countries and nationals. In light of such deeply embedded sentiments against Suu Kyi that were pervasive in the upper rungs of the military, Thein Sein’s accommodative approach towards her and the NLD was truly revolutionary and an important turning point in the evolution of the country’s political situation (Kyaw 2012, 3).

There have been a number of other political steps undertaken by the Thein Sein government that have led to a much more liberal political environment. Prior to the by-elections, the government freed a large number of political detainees. This was one of the major demands of the political opposition as well as Western countries for the lifting of sanctions. These detentions significantly weakened the political opposition and held opposition activists in fear for their safety and liberty. Such detentions were used not only against members of political parties but also against activist groups such as the 88 Generation group.
that had previously rallied against the government and continues to be popular at the ground level. The freeing of political prisoners was clearly seen as a positive gesture that called for a positive response, and many Western countries slowly began lifting economic sanctions against Myanmar after this decision. Following on from the first two large-scale releases in January 2012, there were a total of six such releases in 2012, including one on November 19 timed to coincide with the visit of U.S. President Barrack Obama. And in the most recent such amnesty announced in April 2013 another 93 such prisoners were released (Eleven Newsmedia Myanmar April 23, 2013).

Correlated with the decision to free political prisoners was the government’s decision to grant a broad based amnesty to political exiles living abroad. A large number of exiles, who had previously provided information on developments inside the country and organized activities against the military government, were living in India, Thailand, and the West. In fact, these groups, and in particular those operating out of Thailand, provided much valuable information to the outside world regarding domestic political developments in Myanmar on the basis of their proximity to the situation and their wide-ranging contacts within the country. Chiangmai in Thailand was home to an especially large number of exiles. Many of those who had fled the violence in 1988 and joined ethnic insurgent armed groups to fight against the government were located in Thailand, as was a faction of the influential All Burma Students’ Democratic Front. Whereas many from these groups were initially suspicious of the government’s intentions, they subsequently relented after hearing positive feedback from early returnees (Kyaw 2012). The government in fact has gone out of its way to accommodate leading members of the 88 Generation group and has asked for their assistance in helping to rebuild the country. It has inducted many exiles into the newly created Myanmar Peace Center (MPC) and has sold them heavily subsidized apartments as a gesture of gratitude. Although many of the exiles now work closely with the government, leading members of the 88 Generation group maintain some distance from the government in order to retain their independence. They also regard themselves to be the true champions of reform, having spent decades under harsh imprisonment compared to the exiles. Consequently, there is some latent tension between the returned exiles on the one hand and the 88 Generation group on the other.

The MPC was inaugurated in October 2012 in Yangon. It currently serves as the government’s vehicle for negotiating meetings with the ethnic armed groups in order to achieve long-term accommodation and resolve the issue of private armed groups operating within the country. The MPC was a joint initiative between the government and the Peace Donor Support Group, and in particular Norway and the European Union (EU), which have contributed the bulk of the pledged funding of $30 million over a five-year period. The government donated five large, unused, detached houses that were then renovated and fitted
Ceasefire with Ethnic Minority Insurgent Groups

There are a total of 26 ethnic insurgent armies that had previously fought against the BSPP government until its collapse (Smith 1991; 1999). Many of these groups have been fighting the government for more than five decades, since political independence. As a result of the lengthy conflict and the occupation of large land areas, these groups have evolved their own political and economic arrangements and networks. Many of these groups are often involved in cross-border trade in timber and precious stones from the areas under their control. The Myanmar government began to sign ceasefire agreements with these groups as early as 1988 following the collapse of the BCP. The earliest of these agreements were signed with the United Wa State Army (UWSA) and the Myanmar National Democratic Alliance (MNDA) that represented the Kokang ethnic group. Both groups were previously the sword arms of the BCP and the government was anxious to contain the situation following the collapse of Ne Win’s BSPP government (Steinberg 2001). Both groups also operated close to the Chinese border, and the UWSA had acquired notoriety as a major supplier of natural and synthetic drugs in the region and beyond (Chin 2009, 222-24; Roberts 2010, 84-6). The MNDA was routed by the military following a conflict in 2007 despite an existing ceasefire agreement. Chinese intelligence sources suggest that pressure was brought to bear on the Myanmar military to attack the MNDA after Kokang manufactured weapons were traced in Tibet and other restive areas in China. As for the Wa, at the present time, they are the largest of the ethnic armies after having commissioned a fourth brigade in Pangsang in 2010 (Ganesan 2011, 108).

The Myanmar government’s approach in dealing with the ethnic armies is to sign an initial ceasefire agreement. This agreement would respect the groups’ right to control clearly demarcated areas and continue bearing arms. It is hoped that afterwards, through an admixture of negotiations for political rights and accompanying development in the region, the armies would be disbanded. The government’s original plan under the SPDC was to demobilize the soldiers from these groups and have them join a Border Guard Force (BGF) that had elements of both the regular army as well as ethnic insurgents. However, the government has only had limited success with the scheme. The larger groups, and in particular the Kachin, Karen, Shan, and Wa, have rejected it outright and the government is trying to find new ways to solve the situation (South 2008, 11).
Major areas of disagreement over the scheme include the ratio of government troops to that of ethnic militia groups, and command and control over the units at the battalion level and higher. In February 2011, a total of 11 ethnic armed ceasefire groups formed the United Nationalities Federal Council in order to collectively coordinate their position with the government. These include the Kachin Independence Organization (KIO), New Mon State Party (NMSP), Shan State Army-North (SSA-N), Karenni National Progressive Party (KNPP), Chin National Front (CNF), Karen National Union (KNU), and five smaller groups representing the Lahu, Arakan, Pa-O, Palaung, and a splinter Wa group (Tin 2013, 6).

Notwithstanding these difficulties, 2012 has been an especially good year for government negotiators. For the first time they have managed to persuade three groups that previously had no dealings with the government to sign ceasefire agreements. These agreements serve as a precursor to direct negotiations with the government on political, economic, and social matters. The largest of these groups is the KNU and the agreement is still holding. The other two groups are the CNF and the Revolutionary Council of the Shan States (RCSS) (Kyaw 2012, 6). Such agreements normally involve preliminary local negotiations. These are then followed by agreements at the regional level before they are finally submitted for ratification to Parliament at the Union level. After all the groups have formally entered ceasefire arrangements, the government intends to host a Naypyitaw Conference. These agreements have not come without very strong commitment on the part of the government and the able leadership exercised by the lead negotiators of the two government-appointed teams. Especially significant in this regard is the role played by U Aung Min, the former Minister of Railways Transportation, who has often crossed borders to hold preliminary negotiations in China and Thailand. Their direct appointment by President Thein Sein and their conciliatory approach have won them much leeway and goodwill from the ethnic armed groups who, with rare exceptions, have gone on to sign ceasefire agreements (Kyaw 2012).

**Strengthened Civil Society**

Another major development in Myanmar politics has been the active role of civil society organizations that have undertaken wide-ranging activities, from political education to providing relief for those affected by natural calamities (Kyaw 2007a, 161; 2007b). The previous military government was suspicious of such organizations for fear they would serve as beachheads for foreign interference in the country’s domestic politics and sought to suppress them (South 2008, 5; Callahan 2008, 52). The military was particularly suspicious of civil society organizations that received foreign support and funding (Kyaw 2008). That view began to change after the devastation wrought by Cyclone Nargis and the overwhelming task of dealing with the death and destruction. Some of the earliest
groups to successfully provide aid were religious organizations, monasteries, and civil society organizations. Given the government’s suspicion of foreign aid agencies, external donors were forced to deal with domestic civil society organizations at the outset, before ASEAN and UN agencies were given greater access.

One of the most successful of such organizations at that time was Myanmar Egress. It won the trust of the government and undertook relief and reconstruction work through its large alumni network composed of those who had attended its social science and entrepreneurship training classes. The board of Egress has also had a good working relationship with the government, and its non-confrontational methods have won it wide recognition. Foreign aid donors leveraged their resources using the organization and were able to undertake much more meaningful work. Even UN agencies and ASEAN worked with Egress to deliver aid to the delta areas. In this regard, one of the more positive developments that came in the aftermath of Cyclone Nargis was the easier availability of external funding and the strengthening of local civil society organizations that arose to meet the challenge. As a result of their success, they were also able to attract a lot of funding from international aid agencies such as the UNDP, Ausaid, DFID (UK government), and Oxfam. Many German foundations and the Swedish International Development Cooperation Agency (SIDA) were early providers of financial support in spite of Western sanctions. Some of these agencies were unable to utilize banking facilities in Myanmar and so worked through banks in Singapore and Thailand for the disbursement of funds.

Liberalizing Media

Other major changes under the new government are sweeping reforms of the mass media industry (Kyaw 2012). In the past there were very strict press censorship laws and the authorities often had to directly clear what appeared in print. As a result of such scrutiny, the major daily English language newspapers were only the government-sponsored and propagandistic New Light of Myanmar and the Myanmar Times. The former was especially notorious for publicizing government pronouncements and regularly featured articles on the accomplishments of the military, in particular in the areas of agricultural and infrastructural development. The Myanmar Times was much more commercially oriented, although it was subject to strict censorship as well. Then there were weekly journal-type magazines that were also heavily censored. Censorship rules were strict and entire articles could be ruled out of line and journalists imprisoned or subjected to other sanctions. Hence the community of reporters tended to err on the side of safety. However, the Thein Sein government has lifted press censorship and the mass media operates freely now. In fact, Thailand's Nation Media Group was one of the first to make a foray into the Myanmar market and
now publishes the Eleven Newsmedia Myanmar which has credible articles on domestic developments. This new freedom means that information is now widely available and shared, and as a result the government has been subjected to far greater scrutiny. There are even investigative pieces that sometimes put senior government officials on the defensive, such as recent reports regarding the illegal confiscation of land by senior military officers.¹¹

When appraising the performance of the current government it needs to be borne in mind that it has only been functioning for a little over two years, since November 2010. The enormity of the task confronting the government is truly staggering. Even at this time the state does not have full control over all the country’s territory and people. The country’s infrastructure is weak and dilapidated and there are no formal laws in many areas, and where these exist they are easily bypassed. Six decades of mismanagement has truly made the country very weak in gearing itself for the challenges that lie ahead in the path towards reconstruction. Nonetheless there is significant political will at the leadership level in addressing the issues directly, and the international community has also offered much support and aid.

The Immediate Challenges That Lie Ahead

There are a large number of problems that require the attention of the current government of Myanmar. Some of these are more important than others since they impinge on the core functions of governance—the provision of safety and security for the inhabitants of the state. Two issues stand out in this regard. The first of these is the resumption of hostilities between the military and Kachin Independence Army (KIA) in Kachin state, and the second is the outbreak of violence in Rakhine state and more recently in Mandalay Division. Whereas the former involves actual military conflict the latter can be more correctly described as a communal conflict that has pitted two different ethno-religious communities against each other. Nonetheless, both of these developments have tremendous potential to undermine the political legitimacy that the current government has sought to amass.

The KIA previously had a ceasefire agreement with the government that unfortunately broke down in mid-2011. The insurgent army has a troop strength of approximately 8,000 and it is deployed in Kachin state that shares a long border with China. Both sides have blamed the other for the collapse of the truce. The common KIA complaint is that the military is attempting to retake ground that the KIA has previously controlled, and in particular, strategic high ground. The government on the other hand has accused the KIA of attempting to seize more neutral areas and of targeting government soldiers with snipers. More recently, in December 2012, there was a serious escalation of the conflict following the KIA’s
refusal to vacate an area after it was served notice by the military. Consequently, shortly after Christmas, government forces used helicopter gunships and aircraft to bomb KIA positions. The government's spokesperson publicly denounced the KIA for blowing up railway lines and more than 10 bridges, and for targeting the power grid in Kachin state, actions that the military has said are unacceptable. The KIA, on the other hand, has accused the government of indiscriminate firing that threatens the lives of civilians under their control. There are now approximately 100,000 internally displaced persons in government-controlled refugee camps and another 55,000 in areas controlled by the KIA. The latter is headquartered in Laiza near the border with China, and there have been reports of shells landing on the Chinese side where approximately 5,000 refugees are camped. China is keen to see the situation resolved peacefully to avoid threatening Chinese security in bordering Yunnan Province which typically bears the brunt of spillovers from border conflict (Ganesan 2010, 8-9; 2011, 108-09). In the recent round of negotiations conducted in Ruili, in January and March 2013, China sent high-ranking representatives from the Ministry of Foreign Affairs and the military to the meeting to indicate its interest in resolving the situation. The meeting was also attended by representatives of the Shan and Karen insurgent groups, including the head of the KNU’s military wing. In the past, such groups have indicated support for the KIA.

There have been a number of attempts by the government to resolve the Kachin situation (Burma Centrum Nederland 2012). In 2012 President Thein Sein issued two Executive Orders for the military to halt the fighting, but these came to naught. Similarly, civil society groups, and most recently in January 2013, the Lower House of Parliament have also called for a halt to the fighting. An earlier truce in the same month called by the military lasted for only two days before fighting resumed. In the meantime, the President has invited the KIA to send a delegation to hold peace talks. One of the complaints of the military is that the KIA is not serious about negotiating peace and often does not send representatives to meetings who have the authority to negotiate arrangements that can be effected at the ground level. Early negotiations then suggested that a major meeting between the two parties be held in late April 2013 (Eleven Newsmedia Myanmar April 18, 2013). The negotiations have now been moved to the Myanmar Peace Center with a major meeting scheduled in September. It has also been recently revealed that the postponement of a meeting with the KIA in early April was due to Chinese objections over the planned presence of representatives of the United Nations, the United States, and Britain at the meeting, again indicative of the significant leverage that China wields in such negotiations (Eleven Newsmedia Myanmar April 23, 2013). Meanwhile, the government has granted access to international relief aid agencies to assist with humanitarian work in the areas under its control.

The second difficult situation confronting the government is the outbreak
of violence between the Rohingya and the Rakhine communities in western Rakhine state. There has always been historic animosity between the two groups, and successive Myanmar governments have refused to recognize the Muslim Rohingyas as native to the country. Instead they are typically referred to as Bengali Muslims and have had strict limitations placed on their personal freedoms, association, property ownership, and movement (Callahan 2008, 30–3). They are often viewed as illegal immigrants from Bangladesh and number some 800,000 in all. In the past, the government’s position has always been that those who can demonstrate their family’s domicile status before the outbreak of the First Anglo-Burmese War in 1824 will be entitled to citizenship.

There have been a number of outbreaks of violence between the Rakhine Buddhists and the Rohingyas in the past, the one in October 2012 being the most recent. Some 190 people were reported to have died in the violence and entire villages were razed to the ground. The fighting began with the report of the rape of a Rakhine girl by three Rohingya men followed by a revenge attack with the burning of a bus carrying Muslim pilgrims that led to the death of 10 victims. Subsequently the violence flared across the state and the police and military were deployed to keep the peace. This part of Myanmar is difficult to access by road and most transport is by boat on the large Nav and Kaladhan rivers. As a result, maintaining the peace became a rather challenging and difficult task simply for logistical reasons. The Rohingyas appear to have borne the brunt of the violence and those who fled their homes and property are currently housed in refugee camps near the port city of Sittwe. Many from the community have also chosen to flee the country and they regularly land in Thailand, Malaysia, and Indonesia. The issue has strained ties between Myanmar and Bangladesh, with the latter refusing entry to would-be refugees, arguing that it already hosts 300,000 persons in refugee camps. The violence in Meiktila, in March 2013, was also aimed at Muslims and appears to have taken its cue from the situation in Rakhine. During this second incident, 43 persons perished and, as with the earlier episode, security forces appear to have been complicit in the violence, at least at the outset.

Complicating the situation are recent revelations that the Thai military has been involved in the illegal resettlement of Rohingya refugees in Malaysia, their preferred destination where they are generally much better treated (The Nation January 23, 2013). In January alone, some 600 Rohingyas were rounded up along the Thai-Malaysian border in Sadao province, Thailand and another approximately 350 arrived by boat to the port city of Ranong in southern Thailand. There is some sympathy for the Rohingyas in southern Thailand where there is a Muslim majority, although the region has also seen an active insurgency since 2004, which complicates the situation. The Thai Fourth Army currently has some 50,000 troops deployed in the area and violence is an everyday feature of life there. In fact, Mahathir Mohamed, when he was Prime Minister of Malaysia, was the first to offer asylum to 20,000 Rohingyas. Given the country’s relative safety,
Malay Muslim majority, and ample job opportunities, Malaysia has become a choice destination for illegal immigrants from Myanmar in general, and not just for the Rohingyas. The plight of the Rohingyas and their persecution in Myanmar has attracted much international attention and has also caused regional concerns, especially among ASEAN members Indonesia and Malaysia that have Muslim majority populations (Nair 1997; Saravanamuttu 2010, 342-44).

As in the Kachin case, the Myanmar government has allowed international relief agencies to become involved in tending to the welfare of the displaced Rohingyas. It has also formed a Commission of Enquiry into the violence and is expected to make public its findings in April 2013. Additionally, the government has decided to build more permanent housing to resettle the Rohingyas, but the plan has met with stiff resistance from the local Rakhine community. The early site of three islands off the coast of Sittwe has been rejected by the Rakhine community. Consequently, given the deep-seated animosity between the two communities, the government is likely to face some difficulties in dealing with the situation on a more permanent basis.

There are also a number of socio-economic problems that require the attention of the government. This includes the reintroduction of educational institutions that are in line with regional and international standards. Previous governments, beginning with the BSPP government from 1962, ignored educational investments, and consequently the standards of general education in the country, which were among the best in Southeast Asia in the 1960s, steadily eroded over time. Qualified professionals also left the country in droves when the government embarked on a program of economic nationalization. Also, following the return of the military from 1988 onwards, the situation became even worse. The military associated tertiary institutions with the democracy movement that it harshly suppressed. Afterwards, educational institutions were decentralized and often located in remote areas, and the government kept a sharp watch on the major universities in urban areas like Yangon and Mandalay. Syllabi were also scrutinized and weakened, and so gradually degrees came to hardly represent the training and skill levels that they were associated with. Consequently, there is an urgent need to reform the educational sector and invest heavily in its infrastructure. The same can be said about investments in roads, railways, and heath care. In the past China was Myanmar’s greatest benefactor in infrastructural development and the two countries boasted a special relationship that defied international sanctions (Ganesan 2010, 7; 2011; Maung 2011). That situation has now changed and other countries, including Japan, have offered to upgrade Myanmar’s infrastructure, and the Singapore government has offered to train the country’s civil service. The creation of employment is another urgent challenge that the government has to meet, with unemployment rates currently estimated at 40% of the working population (Eleven Newsmedia Myanmar January 23, 2013).

The government must also introduce an effective legal regulatory framework.
Up until now, major transactions often involved those with linkages to the government and crony developers who were able to seize land and operate with impunity. This framework is important to regulate domestic transactions as well as to better entice foreign direct investments into the country. Although much interest has been expressed by foreign multinationals and governments, the absence of such a framework remains a major hindrance. The implementation of rational-legal norms for the conduct of daily life and business transactions will go a long way toward laying the framework for other developmental projects. In the absence of such a framework personal loyalties and preferences have prevailed, and there is often a resort to political influence when there is an impasse, creating opportunities for corruption.

In the economic realm the banking sector needs to be made credible and well regulated. Right now most people simply hoard cash, foreign currency, and gold rather than place their money in a bank. There is a total absence of trust in financial institutions, and loans are typically privately negotiated at 36% interest per annum, or 3% per month. Most transactions are in cash and preferably in U.S. dollars. All of this needs to change. The government has to roll out a credible mechanism for revenue collection and have sizeable financial reserves to undertake economic reforms. Fortunately, with the lifting of sanctions, international agencies such as the Asian Development Bank and the International Monetary Fund have promised technical and developmental assistance. Currently there is a very strong rentier mentality within the country and especially in the urban areas. Most people try to make the best out of the resources that they have, and this has led to an incredible and unsustainable rise in industrial and residential property prices and rentals. Hotel room rates in major cities, including Yangon, have risen more than 100% in the last year and are now no longer competitive in relation to similar offerings in major regional cities such as Bangkok, Jakarta, and Kuala Lumpur. The situation became so bad that the government introduced a ranking system based on the number of stars for hotels and imposed price ceilings. However, hotel operators have easily overcome these hurdles by selling directly on the Internet and bypassing local agents.

Whither from Here: 2015 and Beyond

There is little doubt that Myanmar is currently in the middle of an historical conjuncture with path-dependent tendencies that will draw it away from its past (Pierson 2004). While the current situation appears to be the culmination of a military-inspired roadmap to democracy that began in 1994, the ongoing reforms are actually in direct response to a legitimacy deficit that attended the military government following the collapse of the previous socialist government in 1988. Although the government under President Thein Sein has been consultative
and prepared to undertake wide-ranging reforms to move the country forward, the challenges are truly colossal. Nonetheless, slow and steady progress is being made and there is much domestic and international support for his agenda, significantly enhancing the government’s political legitimacy. Many Western leaders, including U.S. President Barrack Obama, have visited Myanmar and in turn received official delegations from the country. And most recently, the EU has announced the lifting of all sanctions against Myanmar with the exception of an arms embargo (*Channel NewsAsia* April 22, 2013). In this regard the Thein Sein government’s reform efforts have been well rewarded and this enthusiastic international response is likely to move similar efforts further forward. The pre-election military elite appears to have truly retired and withdrawn into the background, and there is little evidence to suggest otherwise. Consequently, the current trajectory of change is likely to continue, barring any unforeseen developments.

The largest and most influential domestic player is currently the military. It is the most organized actor and has disproportionate resources at its disposal in relation to its competitors. Most members of the current cabinet are ranking military officers who have simply donned civilian clothes. The mass-based organization that represents their political interests is the USDP, which was simply converted from the previous Union Solidarity and Development Association (USDA). In structural terms, the military has a 25% representation in the Union government as well as the regional parliaments. The Parliament requires an absolute majority of more than 75% in order to amend the 2008 Constitution, and the military is likely to cast a block vote to veto any prospects of such a change. Notably, the document clearly forbids those married to foreigners or with children holding foreign passports from holding high executive office, and therefore Suu Kyi would clearly be subject to this rule.\(^{15}\) Suu Kyi has lobbied to change the constitution to bring it more in line with the wishes of the people and has made no secret of the fact that she aspires to be the next president (*The Japan Times* April 18, 2013). Also, the military is not subject to parliamentary oversight and controls the ministries of Home Affairs, Defense, and Border Areas while maintaining a majority representation of 6 out of 11 members in the National Security Council.

Based on the NLD’s and Suu Kyi’s popularity in the April 2012 by-elections, it is likely that the NLD will perform spectacularly well in the next national election slated for 2015. However, under the current Constitution Suu Kyi cannot become president, and attempts to change the Constitution may well prove difficult. President Thein Sein and his most trusted ministers have privately indicated that they will not serve under an NLD-led government.\(^{16}\) The current ranking military officer in the government is Thura Shwe Mann, the Speaker of Parliament, who has made his ambitions rather clear. Yet the prospect of an electoral victory for him through the USDP is remote and he certainly knows
that. In the meantime, it is quite well known that all these leading personalities have become rather friendly towards each other, which makes the situation even more fluid and raises the possibility of a compromise candidate in order to move the country forward (Bangkok Post April 17, 2013; Kyodo News Agency April 18, 2013). Hence it is indeed possible that someone like President Thein Sein may continue as the compromise candidate acceptable to all parties. On the other side, there have been blog postings with reliable insider information on domestic politics cautioning the general public not to attribute all bad decisions and blame to the military. Such anonymous postings are one of the ways that the military, and elements within it, often state their position on important matters. In any event, beyond all this epiphenomena, an academic colleague remarked that it is really the military and the bureaucracy that are providing continuity and holding the country together. The large numbers recruited into the military’s officer cadet corps in the last decade (up to 2,000 per annum as opposed to the traditional 120) may well vent their frustrations if the military continues to be sidelined and deprived of lucrative placements in the bureaucracy as the political situation evolves. Ne Win and Than Shwe were much more careful with such placements and deflected the possibility of coup attempts in the past. Similarly, those regarded as challenging the corporate military establishment, such as former Military Intelligence head General Khin Nyunt, were unceremoniously removed from their positions and imprisoned. The failure to deal with the aspirations of the large military cohort down the line will certainly raise the specter of a coup.

Whatever the outcome may be in 2015, there are a number of structural impediments that stand in the way of Suu Kyi’s aspiration for the country’s presidency (Taylor 2009, 498-99). It remains to be seen if and when such impediments will be overcome. In any event, two years is a very long time in politics, and the dictum that “those who live by the crystal ball may be fated to eat glass” holds. The evolving new economic opportunities created will also toss up new elite who may well enter the political fray.

Conclusion

The ongoing changes in Myanmar since the 2010 national election have led to a number of positive changes in the country. They have also drawn the country away from the kind of military authoritarian rule that obtained in the aftermath of the collapse of the BSPP government in 1988. The most significant political changes are the accommodation reached between the government and the political opposition and exiles on the one hand and the ethnic insurgent armies on the other. Both of these developments are important in the country’s political transformation, although the reabsorption of the ethnic militias is likely to be a longer-term issue fraught with fragilities. These developments have served
to confer significant political legitimacy on the current government led by President Thein Sein and have addressed the legitimacy deficit that attended the government at the time of its election in 2010. In fact, such a deficit was already in existence following the collapse of the socialist government in 1988 and the military’s decision to ignore the outcome of the 1990 election that was overwhelmingly won by the NLD. In response, the international community has richly rewarded the Thein Sein government and has actively dismantled its wide-ranging sanctions regime. Additionally, the engagement with Myanmar has deflected the threat of China’s geostrategic gains deriving from its strengthened bilateral relationship with the country while it was subjected to isolation and sanctions. Nonetheless, major challenges remain with the most immediate ones being the containment of the conflict in Kachin state and resettlement of the Rohingya refugees from Rakhine state. A transparent legal framework in order to move the developmental process forward is also lacking. How the country’s politics will shape up leading to the 2015 national election remains difficult to predict.

Notes

1. The country was called Burma from the time of British colonial occupation in the nineteenth century and was known to the world as such. In 1989, following the collapse of the Burma Socialist Programme Party government, the military junta that called itself the State Law and Order Restoration Council (SLORC), renamed the country Myanmar. A number of Western countries, including the U.S. and the UK refused to recognize the new name since it implied conferring legitimacy on the SLORC. In this article the name of the country is used without any connotative value. In fact the majority of the people in the country actually use the new name Myanmar quite readily, and following the lifting of Western sanctions since 2012 the name Myanmar has been used more universally.
2. The First Anglo-Burmese War was fought from 1824 to 1826, and the British took control of the coastal provinces of Arakan (Rakhine) and Tenasserim (Tanintharyi) after that. During the Second War the British annexed Pegu (Pagoh) and replaced the King, while during the Third War in 1885 the whole country fell to the British.
3. Although Burma was hardly a unified country, the British decided to grant it early independence after India in 1947 as part of the policy of withdrawal East of the Suez Canal in recognition of their new and diminished status after the Second World War. Many observers also point to the special relationship that existed between Lord Louis Mountbatten, the Allied Commander, and the Burmese independence leader, General Aung San.
4. The Panglong Agreement was signed by General Aung San in February 1947 and promised autonomy to the Chin, Kachin, and Shan peoples in the event that the Union of Burma between the lowland and highland territories was unsatisfactory for the minorities.
5. The groups that had officially negotiated peace agreements with the government by 2004 were the Kachin Independence Organization, New Democratic Army (Kachin),
Palaung State Liberation Organization, Myanmar National Democracy Alliance (Kokang), Kachin Defense Army, Myanmar National Solidarity Party (Wa), National Democracy Alliance Army – Military Local Administration Committee (Shan/Akhar), Shan State Army, Pa-O National Organization, Shan State Nationalities People's Organization, Mong Tai Army, Kayan National Guard, Kayinni National Progressive Party, Kayan New Land Party, Kayinni National People's Liberation Front, and New Mon State Party. The KNU concluded a first round of peace talks, but the ratification of the agreement was delayed by the detention of head of Military Intelligence General Khin Nyunt, the architect of the agreements in 2004, and the death of its leader Saw Bo Mya in 2006. The agreement was eventually signed in 2012.

6. Under the 2008 Constitution, ministerial rank public officials who serve in Naypyitaw must have their parliamentary seats filled in a by-election on account of their inability to subsequently serve their constituents where they were first elected.

7. An entire apartment block was allocated to some of these returnees and refurbished. They were then sold at a cost of $50,000 each, or half the then-prevailing market price.

8. Most of the groups represent the various ethnic nationalities within the country. Some of the groups draw from more than one ethnic group, while the larger ethnic groups often have more than one insurgent organization. Over the years, some of the larger groups, like the KNU and the Shan, have also seen a splintering in their ranks.

9. The RCSS was also previously known as the Shan State Army–South (SSA-S) and is commanded by Colonel Yord Serd. It is a faction from the larger Mong Tai Army of famed drug warlord Khun Sa, who surrendered to the government in 1996 in return for amnesty.

10. Of the eight members in the Board, two of them held senior appointments in government cooperative organizations and had good linkages with the military. One of them also currently serves as the Deputy Chairman of the Union of Myanmar Federation of Chambers of Commerce and Industry. As a result of such appointments and linkages with members of the military, Myanmar Egress had enviable leeway to undertake broad ranging programs. The others were in the main private entrepreneurs who wanted to contribute towards developing the country. In recognition of the organization's important role in facilitating political changes, Egress has been given a large plot of land with renovated buildings to continue with its educational training.

11. Early investigations were into land grabs in Rakhine state. Since then there has been an attempt to document similar activities in the Ayeryawaddy Division. Over time it is likely that such investigations will be extended to the entire country. It remains to be seen how the government will eventually deal with this issue. The most recent corruption probe by the Bureau of Special Investigation centers on a telecommunications graft scandal rumored to involve Thein Tun, the minister who abruptly resigned in late January 2013.

12. I was privy to this information at the MPC during an interview given to a foreign journalist.

13. Interestingly, it was reported that ammunition bearing Chinese markings was recovered from the conflict areas by the Myanmar military. A government spokesman however dismissed the notion that the Chinese government supports the KIA. Instead he alluded to the ammunition coming from Yunnan province.

14. This relationship was often called pauk phaw or one between brothers, although leading members of the military were always alert to balancing the relationship with neighboring India and Thailand in particular in order to obtain strategic leverage.
15. For example, General Myint Swe, who is the chief minister of Rangoon Region, was nominated to replace Tin Myint Aung Oo as Vice President in July 2012, but was withdrawn on account of this clause for having family members with Australian citizenship. So there is precedent for this rule to be invoked against Suu Kyi as well.


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