Abstract

This paper outlines the political reforms and reconciliation process presently underway in Myanmar and the challenges posed to it. A detailed analysis of changing power dynamics in Myanmar, and the relationship between NLD leader and head of Opposition, Aung San Suu Kyi, and the military has been elucidated.

The peace processes initiated with ethnic minorities, the reform agenda of the new regime, and challenges to democratisation and economic reforms have been addressed to emphasise that whilst procedural democracy has been established, the stability and survival of the regime would rest on the deepening of democracy and its consolidation. In the light of this assertion, the author argues that institutions of liberal democracy must take deep roots in society for an inclusive and substantive mechanism of governance to be sustained.

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The new democratic regime in Myanmar is now taking its babysteps. At this stage, it has to face numerous troubles and has a long way to go from infancy to adolescence. Despite, the obvious limitations of the parliamentary process, the members are hopeful that the government would sometime listen and would prepare a ground for the next general elections in 2015. Most of the opposition parties, though were against military engineered elections, but still they participated in it, thinking that it is only through engagement and reconciliation with the junta that they would be able to move towards greater freedom and openness and democratic reforms.

In this background, this paper discusses the recent political developments in Myanmar highlighting the changing political dynamics emerging in the country with the entry of Aung San Suu Kyi in the mainstream politics. It also provides an insight into the reform agenda of the new regime and the challenges of democratization faced by the new establishment.

Despite the change and a new era of democratic reforms in Myanmar on the path of ‘disciplined democracy’, few are optimistic about what it might bring. With the elections in 2010 and the release of Aung San Suu Kyi in November 2010, there is a ray of hope for democracy and change in Myanmar. As the new Parliament was convened on 31st January 2011, the erstwhile junta was dissolved, handing over power formally to the new successor civilian government in March 2011. Myanmar's former Prime Minister Thein Sein was sworn in as the country's new President, marking the end of the military body that has governed the Asian nation for decades.

The new Constitution approved by an overwhelming majority of the population (superficially) in May 2008 referendum not only enshrines the military’s hold on power, but effectively excludes Suu Kyi from office. According to Constitutional Principle approved by the National Convention, the President should be an indigenous Burmese. The Constitution lays down that “the President shall be a person who has stayed in the state continuously for a minimum of 20 years at the time of the election of the State President. Further, either of his parents, spouse, any legitimate child shall not be a loyal subject to any foreign government or a person under the influence of a foreign government or citizen of an alien country” (Article 59 e & f) (Myanmar Constitution 2008). This has disempowered NLD leader Aung San Suu Kyi from contesting Presidential election as her husband is a British national. Under the Charter, a quarter of seats in both houses of new Parliament would be guaranteed for the military—at
the National as well as regional and State Assemblies. The draft Constitution makes it virtually impossible to amend the clauses because more than three quarters of the members of both the houses of the Parliament need to approve any amendment (Article 436 a & b) (Myanmar Constitution 2008). Given that the military holds at least one quarter of the seats, their representation will be significantly higher and hold an effective veto. The President, the future head of the state, will also have to be a member of the military. In addition, the army retains control of the key ministries, including defense, economy and border affairs (article 232 (b) ii) (Myanmar Constitution 2008). Furthermore, the Constitution envisages for the Commander-in-chief of the Defence Services to acquire ‘sovereign power’ in case the President promulgates a ‘state of emergency’ (Article 418).

2010 elections in Myanmar were the fifth step of the Seven-point “Roadmap to Democracy” as announced by the military junta in 2003. The electoral administration was appointed unilaterally by the regime on March 11, 2010, and soon showed itself to heavily favour the regime and its allies. The Union Election Commission (UEC) lacked independence. It was appointed directly by the SPDC with no public input. Political parties had to register with the Union Election Commission and request permission to contest. The election laws were developed by the military government and effectively prohibited longstanding opponents of the regime from contesting the elections. The Political Parties Registration Law, enacted by the military junta in March 2010 ahead of the November 2010 general elections, was aimed at keeping Aung San Suu Kyi out of the electoral process (Amnesty International 2010). The junta had barred anyone convicted of a crime from being a member of a political party (Pyithu Hluttaw Election Law 2010). Further, parties that wanted to register under the new law must expel members who are “not in conformity with the qualification to be members of a party.” This meant that Suu Kyi could not contest the elections, and the National League for Democracy (NLD) would expel her if it wanted to be eligible to participate in the election process. The junta also offered a carrot to the NLD by removing the seals on the regional offices of the party. They wanted the NLD to contest the election in order to give the polls some credibility. Henceforth, 300 NLD offices were allowed to reopen. But the junta also wanted a very weak NLD, with Suu Kyi completely out of the picture. This posed a dilemma before NLD whether to participate by expelling Suu Kyi or to completely boycott the elections. The party was, however, disbanded for failing to register under the new election law.

The elections held after a gap of twenty years in 2010 has paved the way for a transition from military rule to a supposedly civilian administration and democratic opening in Myanmar. But the fact that the polls were swept by the pro junta political party and its allies exposes the myth of democratization.

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The elections held after a gap of twenty years in 2010 has paved the way for a transition from military rule to a supposedly civilian administration and democratic opening in Myanmar. But the fact that the polls were swept by the pro junta political party—Union Solidarity and Development Party (USDP) and its allies exposes the myth of democratisation in the country. In the absence of any clear opposition with National League of Democracy being disbanded, the election has widely been seen as an attempt to legitimise military rule behind a mask of civilian government. Civilian dictatorship sought to be established in the post election Myanmar characterise an illusion of multi-party democracy at the local and the national level while effectively stripping the legality and efficacy of a free and fair election. The regime alleges that it is preparing for a transition period from military rule to a civilian administration popularly conceived by the leadership as Disciplined Democracy. Nonetheless, military regime has achieved a multi-party elected parliament for first time in 50 years.
According to Trevor Wilson (2010), “it also achieved quasi-‘civilianisation’ of government, albeit run by the same people without their uniforms. The elections have also created a new level of political power to reflect quasi-federal nature of the Burmese nation, but the prospects for effective functioning of the new regional assemblies is not clear”.

The effort is made by the newly convened Parliament and leadership to establish a facade of constitutional democracy. The new regime through various articles and speeches is trying to convince its citizens about move that cements the military’s control of a new political system. Given below is an extract from an article published in the national daily, New Light of Myanmar on 8 December 2010:

“The State is like a large boat. It must have a government like the captain, the administrative machinery like the boatmen, party organizations like the navigator, people like the passengers, economic forces like the rudder and the sails and economic infrastructures like the hull. Only with these characteristics plus concerted efforts, can the boat reach its destination smoothly. According to a political term, working harmoniously with the characteristics of a nation means being politically united............... In Myanmar, 98.12 percent of all eligible voters cast their ballots, and there has been a constitution approved by 92.48 percent of all the voters. There have been people’s representatives elected through the elections held systematically in accord with the constitution. The Hluttaws at various levels formed with those representatives and a government will emerge soon, and Myanmar will reach the new democratic era”.

**CHANGING POWER DYNAMICS IN MYANMAR**

The handing of power by General Than Swe denotes the changing dynamics of power structure in Myanmar. It appears, there would be a tussle between the military and the civilian administration and the ‘Military’ and ‘Party’ would emerge as the two main power centres, trying to overpower each other in the 2015 elections. The military leadership holding the position of Party (USDP) General Secretary, the Speaker, two Vice-Presidents and the President himself will have to win the confidence of the people through popular vote, if they want to be elected in 2015 elections. The following section looks at the main political forces and emerging power dynamics in the internal politics of Myanmar.

**Hardliners and Reformists**

According to Harn Yawnghwe, director of Brussels-based Euro-Burma Office (EBO), the country’s top leadership is made up of two factions, divided by conflicting personal feelings and ways of thinking. He believes that the ‘Gang of Four’, the Vice President Tin Aung Myint Oo; the Upper House Speaker Khin Aung Myint; the Information Minister Kyaw Hsan; and the Finance Minister Hla Tun constitute the military minded hard core supporters of the previous regime. “They have reportedly urged the Senior General (Than Shwe) to stage a comeback, but unless Thein Sein makes a big blunder thereby giving him sufficient excuse, it is unlikely he will return”. On the other hand the
“Reformists”, - the President Thein Sein; the Lower House Speaker Thura Shwe Mann; the Railway Transport Minister Aung Min; and the Industry Minister Soe Thein are all bent towards introducing Parliamentary practices and reforms for the new regime. However, the fence sitters are still the majority in the top echelon. “They are naturally waiting to see which direction the wind is blowing before they make up their minds”, reaffirms Harn Yawnghwe (Shan Herald 2011). The battle between reformers and hardliners has been gaining momentum with the liberals led by President Thein Sein and Speaker of Parliament Thura Shwe Mann.

The hardliners have become more concerned after the last bye-elections when military backed USDP could just get one out of the 45 seats. These party members are coalescing into the main anti-reformist noise. This outcome is causing “disarray” within the ranks of the former ruling military and raising speculation about a backlash by hardliners. The reformist minded President Thein Sein has given a signal by saying that “conservatives who do not have a reformist mindset will be left behind, while the country is on its path to change”. Even the Vice-President Sai Mauk Kham has also emphasised that “not only political, economic, administrative and social reforms are needed but there also needs to be a change to our mindset” (Irrawaddy 2012). On the other hand, there are some who do not see a rift between hard-liners and soft-liners, but rather they regard it as ‘just different points of view’ (New York Times 2011).

However, resignation of the Vice President Tin Aung Myint Oo, a former four-star general, and a close associate of retired dictator Than Shwe almost marks ending of the hardliner's role in the reformist government. He was considered as a leader of the hardline group in the government which is opposed to the liberal reforms of President Thein Sein. He has been replaced by Nyan Tun, a former Navy Chief, who is supposed to be belonging to the reformist camp. The development has been seen by many as another reformist move by President as he seeks to court the West and develop business ties and diplomatic ties after decades of estrangement. The information minister U Kyaw Hsan belonging to the hardliner group has been replaced by U Aung Kyi of the reformist camp. In the similar move to strengthen reform Finance minister U Hla Tun has been taken over by U Win Shein. Industry Minister Soe Thein and Railways Minister Aung Min have moved as Ministers in President’s Office and they have been replaced by U Myint Aye and U Zayar Aung respectively.

Furthermore, appointment of a new negotiating team by President Thein Sein, to reach a ceasefire agreement with the KIO reflects a changing stance by the military, which is being involved in a newly restructured peace-negotiating process with the ethnic nationalities. The team would be led by Vice-President Sai Mauk Kham (who is a reformist and an ethnic Shan). Another liberal minded Minister U Aung Min, is also one of the chief negotiators of the team.
AUNG SAN SUU KYI
& THE MILITARY

The complicated and delicate relationship between the military and Aung San Suu Kyi has been the bedrock of the current reform process in Myanmar. Any strain in this relationship is going to hurt the national reconciliation process in the country. The leadership is trying hard to end its international isolation by promoting Aung San Suu Kyi. The regime has allowed her party National League of Democracy (NLD) to participate in the April 2012 by-elections and rejoin mainstream politics. Under her leadership, the NLD had a landslide victory in April 2012 by-elections. According to Than (2012), “since the NLD has entered the Union Assembly it must quickly transform into ‘player’ mode away from the ‘dissident critic’ mode”. In order to carry out its campaign pledges it needs to strategize its moves carefully and develop tactics to progressively advance its main causes within the current political structural constraints. It is believed that the success of the NLD in the by-elections is a strong indicator that the NLD will be able to challenge the ruling USDP in the 2015 elections. This will then give both the NLD and ethnic parties a chance to contest and eventually amend the 2008 constitution and a least to some degree ease the military’s control over the political processes of the country (BCES 2012: 2).

Aung San Suu Kyi had promised to push for amendments to the constitution, including the article that allows the military to appoint 25 per cent of the members in the two houses of parliament (The Hindu 2012). Comments by Aung San Suu Kyi regarding “unelected representatives” as an example of an undemocratic component of the constitution have already distressed military representatives in the Parliament. Nevertheless, the Union Parliament has unanimously approved a proposal on March 20, 2013 allowing for the formation of a committee to review the military-backed 2008 constitution.

Although, the regime needs Suu Kyi in Parliament to bolster the authority of its political system and spur on easing western sanctions but her party’s newly elected members were refusing take the swearing in oath that requires them to safeguard the Constitution promulgated in 2010, under the junta. They had appealed to the authorities to change the wording of the swearing-in oath from “safeguard” to “respect” the Constitution. This was the first sign of serious discord between Suu Kyi’s NLD and the reformist regime since April 1 by-elections that gave the mandate to the democratic icon and her party. However, it remains to be seen whether it can successfully work together towards a common goal in balancing the NLD’s aspirations with the practical aspects of governing Myanmar and providing a stable political environment for pursuing economic development.

Almost invariably, Aung San Suu Kyi needs the military perhaps more than anyone else if she is to advance politically. She is barred from the presidency under the 2008 Constitution because her husband, who died in 1999, was English. The military controls one-quarter of the seats in Parliament, enough to block the amending of the Constitution. Therefore, any effort to amend the Constitution cannot disregard the role and support of the military officers present in the Parliament.
NLD vis-à-vis other Opposition Parties

NLD is the largest opposition party in the national legislature with 43 seats and 6.4 per cent of the overall seats in the parliamentary Union Assembly’s Lower and Upper Houses. Regardless of this meager number, there is sufficient optimism that NLD would have a strong presence. It will, at least have an official voice in government for the first time, and the chance to challenge and influence public policy from within. The second-largest opposition party is the Shan Nationalities Democratic Party, with 22 seats in the Union Assembly. The popular mandate of the by-election is a clear demonstration of the widespread popular support for Aung San Suu Kyi and the NLD. Despite the small number of seats that were contested, the extent of the party’s victory gives it an authorization as the voice of the people in the Union Parliament. Aung San Suu Kyi has described the results as a triumph of the people and welcomed all parties to join Myanmar’s national reconsolidation process. “We hope that this will be the beginning of a new era, when there will be more emphasis on the role of the people in the everyday politics of our country. We hope that all other parties that took part in the elections will be in a position to cooperate with us to create a genuinely democratic atmosphere.” (Reuters 2012).

Several ethnic and minority parties have also embraced the NLD in the legislature as its presence will boost overall confidence in the opposition. Together, they may take issues such as health, education, social security and environmental issues in the Parliament. NLD plans to work with the smaller ethnic parties in the Parliament to push their agenda of reform. Other opposition parties along with Suu Kyi and the NLD may take up the issue of the remaining hundreds of political prisoners, national reconciliation including ethnic peace deals, the rule of law and the thousands of Burmese refugees living in the border areas of neighboring countries.

However, given the ongoing tussle within the NLD, the political scenario at present looks bleak; the NLD suffers from lack of professionalism, centralised structure and leadership vacuum. One of the most taxing exercise is to revitalise the party and introduce inner-party democracy which has so long been dominated by the 88 generation and aging political leaders. The first ever held three day democratic convention of NLD held on 8-10 March 2013 is just an attempt made in this direction. It has to strive for identifying people’s desire and fulfil them.

MYANMAR’S ETHNIC NATIONALITIES: 
THE SEARCH FOR PEACE

Resolving the ethnic issue will be Myanmar’s biggest challenge now. An overwhelmingly Burman dominant polity will resist sharing power since both the military and democratic parties are predominantly Burman. It has been argued that a more fundamental gulf is that between the Burmans and the “nationalities” – Kachin, Chin, Shan, Rakhine, Karen, Mon, Kayah and other ethnic groups. While the Constitution of 2008 makes way for regional assemblies, ethnic leaders have emphasised that these were “powerless” bodies. In practical terms, after the 2010 elections, each of these structures of
Overcoming of sixty year old ethnic conflict will not be easy and the government will have to do a great deal to build the trust necessary to move beyond temporary ceasefires to resolve the underlying political issues (ICG 2011: 5). To fulfill their agenda, ethnic groups like the Shan Nationalities Democratic Party (SNDP), the Chin National Party (CNP) and the Rakhine Nationalities Development Party (RNDP) have decided to take the parliamentary route. Others like the Karen National Union (KNU), engaged in the world’s longest running war with the Myanmar regime, have decided to finally enter ceasefire agreements and initiate talks as a result of the government’s peace initiative. But there are still others still waging an armed rebellion – particularly the Kachin Independence Army (KIA) fighting in the north-eastern Kachin State.

The issue of ethnic peace has, nevertheless, been a high priority of the government, which has signed preliminary peace deals with rebel armies as part of its three-stage process towards peace (Mizzima 2012). The re-emergence of the National League for Democracy into Myanmar’s political arena can open the way for tri-partite dialogue and a genuine reconciliation process between the Government, the NLD, and ethnic parties that may finally lead to a lasting sustainable peace and an end to human rights violations (BCES 2012: 3). Aung Suu Kyi is quite outright in her support for the national reconciliation process with the ethnic nationalities. She underlines the need to develop the trust and confidence, which is lacking at present towards them. Ethnic based political parties, perhaps, may play a greater role in this regard. They require a government, which can understand their aspirations and fulfill their desires. The 2008 Constitution fall short of satisfying the desire of the ethnic nationalities in Myanmar. The reform process therefore, requires to be inclusive for establishment of a federal democratic polity in Myanmar. Unless the government recognises the need of ethnic national unity and accepts the principles of federalism, the trust deficit would not be bridged. According to her, “federalism does not mean cessation”, it is a means of ethnic reconciliation and integration of the minorities on a country wide scale (Aung San 2013).

**REFORM AGENDA OF THE NEW REGIME**

In the light of regime change and transition in Myanmar, a new political system is emerging. The newly elected civilian regime has emphasized on the fundamental rights of the citizens and the need for a clean and corruption free society. The President in his inaugural speech used the words like ‘good governance’ and ‘democratic reforms’. To quote the President Thein Sein (New Light of Myanmar, 30 March 2011):

> In transition to democracy, it is obligatory to promote democratic practices not only among the Hluttaw representatives but also among the people. To do so, I promise that our government will cooperate with the political parties in the hluttaws, good-hearted political forces outside the
hluttaws and all social organizations...Democracy will promote only hand in hand with good governance. This is why our government responsible for Myanmar’s democracy transition will try hard to shape good administrative machinery...To safeguard the fundamental rights of citizens in line with the provisions of the constitution in the new democratic nation is high on our government’s list of priorities. We guarantee that all citizens will enjoy equal rights in terms of law, and we will reinforce the judicial pillar...We will fight corruption in cooperation with the people as it harms the image of not only the offenders but also the nation and the people...

The new regime is also trying to convince the international community of the political changes and reforms that are taking place in the country. The leadership has endeavoured to end its international isolation by promoting the democratic icon Aung San Suu Kyi and allowing her party NLD to participate in the by-elections in April 2012 and play an active role in pushing forward the reform agenda of the new regime. Since her release from house arrest in late 2010, she has traveled to Thailand, Norway, England, USA and India advocating the cause of removal of restrictions and easing out sanctions on Myanmar. This has given the new regime a degree of international acceptance, reduction of sanctions and the possibility of aid from international financial institutions. These cosmetic changes have helped to shift image perceptions, seen in the EU's dropping of some of its punitive measures in March 2011 and its coincident praise for the regime’s "greater civilian character". United Nations official Vijay Nambiar followed this, saying the regime has demonstrated "very encouraging" signs after his visit in May 2011. The same has been reiterated by United Nations Human Rights Envoy to Myanmar Tomas Ojea Quintana who has described it as the 'key moment in Myanmar’s history'. Most analysts believe the openness being shown by Myanmar's leaders is aimed in part at improving their image abroad with a view to ending decades of Western sanctions and consolidating power at home.

Although, failure in the economic front had delayed democracy in Myanmar but the new regime has taken all the possible steps for rebuilding the economy. President Thein Sein in his inaugural speech in the Parliament has focused on the ‘economic might’ for growth and development of the country. Although, failure in the economic front had delayed democracy in Myanmar but the new regime has taken all the possible steps for rebuilding the economy. President Thein Sein in his inaugural speech in the Parliament has focused on the ‘economic might’ for growth and development of the country. He has focused on agricultural development as well as industrialization to transform country into a developed, rich one with a lot of employment opportunities and high per capita income. The new regime invited a delegation from the International Monetary Fund (IMF) to visit in October 2011 to advise policymakers on how to tackle problems with the kyat currency, which has appreciated 20 percent in a year, hurting farmers and exporters and bankrupting businesses. After months of inaction and simmering anger, the government in July 2011 cut taxes for exporters and has promised agriculture loans and price guarantees for millions of farmers, suggesting it may be concerned that any mishandling of bread and butter issues could see a repeat of bloody uprisings in 1988 and 2007 that were sparked by soaring inflation and fuel prices.

New laws are expected to be adopted in the subsequent sessions of the Parliament, such as a labour law and social security law. The MPs have agreed to discuss promulgation of new comprehensive Social Security Insurance Law which is more comprehensive in its coverage than the 1954 Social Security Act
Health care has also been a major area of concern for the new government. In order to implement better health care facilities, government is committed towards improving the existing health care facilities-both in urban and rural areas. The government is also disseminating knowledge about seasonal and other fatal diseases such as AIDS, Tuberculosis and malaria. President has focused on this issue in his inaugural speech and the MPs have also raised their concern in the Parliament about public health care, disease prevention and prevention and control of the epidemic.

Myanmar is taking initiative to carry out education reform soon after the new government took office. President Thein Sein vowed to promote the national education up to international standard and work for the development of human resources in all seriousness. The Vice President Sai Mauk Kham has also called for mending the country’s education system in order to meet the international level. Myanmar has been implementing a 30-year national education promotion plan since 2001-02 academic year, guaranteeing that every school-age child can receive good access to education and every citizen complete basic education under a plan being implemented with the cooperation of regional authorities, social organizations and parents of the students. It is also gearing up for the launch of compulsory primary education plan in 2011-12 academic year. Meanwhile, Myanmar authorities have started to draft law related to private school education as part of its move to open up education sector to private run and strengthen administration.

The ‘environmental issues’ is moving into a more high profile position in Myanmar these days, with political parties making it a priority in the new Parliament and more civic groups taking up the cause. The new government is drafting a new law for environmental conservation for proportionate development of the economic, social and environmental development. One of the latest signs of environmental activism is the formation of an environmental protection subcommittee by the National League for Democracy. Formed on 27 April 2011, the committee’s mission is to represent environmental interests in the area of dam construction, irrigation projects and the agricultural use of chemical fertilizers and pesticides. In his inaugural address to the Parliament, President Thein Sein talked about conservation of the environment at length, saying that he would weigh the need for economic development and the conservation of environment. Vice President Dr. Sai Mauk Kham has also stressed the need for environment conservation in terms of trees and forest so as to hand down the existing good condition of natural environment of the country to new generations. The government has also bowed to environmentalist and social activists by cancelling two high profile state projects: the Myitsone Dam hydropower project, and a coal-fired power plant in the Dawei deep-sea port project and industrial zone.
Human rights which had been given low priority for decades have also been advanced. It has set up a National Human Rights Commission which will safeguard the rights of its citizens. The panel would comprise 15 retired bureaucrats and academics. The latest human rights committee was formed on the advice of the United Nations Human Rights Envoy to Myanmar Tomas Ojea Quintana. The move follows steps by the newly-installed civilian administration to improve Myanmar’s international reputation as well as relations with the country’s Democracy movement. Although, the issue of the release of political prisoners and the concern about the ethnic conflict zones remains unresolved, but the process to review and possibly amend or revoke arbitrary national legislation is underway. Tomás Ojea Quintana concluded at the end of his five-day mission to the South-East Asian nation, “This is a key moment in Myanmar’s history and there are real opportunities for positive and meaningful developments to improve the human rights situation and bring about a genuine transition to democracy”.

Myanmar’s once watertight censorship board has undertaken reforms in the recent months. President Thein Sein mentioned in his inaugural speech that media is the fourth pillar of the nation and media laws needs to be amended in line with the provisions of the Constitution and that ‘it is getting more and more developed’. The Information and Broadcasting Minister has also highlighted that there would be more freedom of press and the government has offered strong indications that it may relax media restrictions. Under the proposed changes, coverage on mostly benign subjects, including sports and entertainment, would no longer have to pass through the office of the censor before hitting news-stands.

In September 2011, Aung San Suu Kyi published her first article in the Burmese media for 23 years on the front page of Pyithu Khit News Journal, while Messenger News also ran an exclusive interview as its cover story. For the last 23 years, even Suu Kyi’s name or any symbols indirectly referring to her—such as “the lady,” “the mother” or “the rose”—was banned in publications. This move is a part of the recent relaxation of control over media, seen as part of the new, nominally civilian government’s effort to reach out to the democratic opposition in a bid to win greater international recognition. In a significant move, in August 2012, the government eased the pre-publication censorship law and finally in December 2012, registration for private daily publication was announced. In this regard, a historic beginning was made on 1 April 2013 when four private newspapers hit the newsstands in the streets of Myanmar after a gap of five decades. As Myanmar enters a new political phase, the international community should seize the opportunity to encourage greater openness and reforms.

The new regime has also tried to shed its pariah image by appointing U Myint as the economic adviser to the new President. He is supposed to be liberal minded and close to Suu Kyi. It is believed that his appointment is suppose to send positive signals to the international community for liberalizing its attitude towards Myanmar and encourage investment opportunities in the country. Thein Sein’s government has capitalized on the reform agenda through a carefully choreographed public relations campaign that began with November 2010 elections and the release Aung San Suu Kyi, has continued with ‘liberalisation reforms’. He has sought to dilute his hardline image with reformist rhetoric. Although there are skepticism about the parliamentary
procedures and rules of conduct are yet not established properly, but these sessions are likely to give a better indication of the direction that Myanmar is likely to take over the next four years. Many of the sessions are so curtailed that the critics call it a ‘15 minute Parliament’. Opposition members are not allowed to submit their questions and most of them seem to be disillusioned by its style and method. Nevertheless, we find beginning of a parliamentary tradition for the people to voice their concern. It has at least opened up the space for different actors and parties to engage in the political process.

Recently, the new regime has released about 200 political prisoners along with more than 6,000 other inmates in October 2011 as a part of its amnesty scheme. Furthermore country's Independence Day on 4 January, 2012 was marked by commuting sentences and apparently releasing more than 30 prisoners. This was followed by the announcement of the release of 651 political prisoners as a positive signal and an important step towards the full release of all political prisoners and a factor in the national reconciliation process (Telegraph 2012). Around 56 political prisoners were released in Myanmar following the European Union decision to lift last of its sanction (BBC 2013).

The first stage of the reform (political reform centered on the restoration of civilian government and multi-party system) has concluded its initial stage, and the goal for the next stage is to advance the people-centered development. The second stage of reforms has been outlined in the “Framework for Economic and Social Reform” (FESR). This indicates that Myanmar’s reform has entered the second phase which focuses on economic and social reform. It aims at enhancing the marketization of its economy and strengthening the role of civil society. These include long-term goals such as building Myanmar into a developed country by 2030.

Development of the mobile telecom industry is considered as an important task of the government to quickly turn Myanmar into an information society. The government intends to increase the penetration rate of cellphones in Myanmar from the current 9 per cent to 80 per cent. Poverty alleviation and job creation are also important tasks for the second stage of Myanmar’s reform. In accordance with this task, the government launched “Framework for Poverty Alleviation and Economic Development” (FPAED). The reform in its second stage also includes “social reforms”. It recognizes the important role of civil society organizations in national building and state building. The third stage of the reform process in Myanmar includes the administrative and constitutional reforms. In this regard, the Office of the President of Myanmar has announced formation of a nine-member anti-corruption committee under the chairmanship of Vice President Dr. Sai Mauk Kham as a part of efforts for the emergence of good governance and clean government” (Notification No.9 2013). In the meanwhile, Parliament has agreed to review the pro-military 2008 Constitution that could eventually change the political landscape of the country.

The civilian government of President Thein Sein has been working hard to show a new face to the world and to improve its relations with its critics at home and abroad. But there are many analysts who believe that the effort towards reform by the militarized government is just a ‘survival attempt’. The regime has been accused for creating a façade for liberalization to prompt western countries to lift sanctions imposed over the country’s political and human rights record. It is a means of cementing their hold over the regime with a view towards long-term
control. Opposition member on the other hand, see the new government as merely a front for the military. It has raised hopes for change with a major ‘charm’ offensive. However, President Thein Sein in his address to the Parliament has promised that reforms would continue and “that our country with democracy still in its infancy will not collapse” (2012).

**Challenges of Democratisation**

After five decades of authoritarian rule, Myanmar faces a plethora of challenges both in the domestic as well as external front. On the one hand, the need for building up democratic institutions and re-invigorating faith in Parliamentary procedures, multi-party democracy, reforms in the armed forces and national reconciliation demands attention. On the other hand, the international isolation of this ‘hermit kingdom’ needs to open itself to the outside world and move forward on the path of economic growth and development. Some of these major challenges have been outlined in the following section.

**Political and Ethnic Reconciliation**

Myanmar needs to build up a political culture of democracy and public participation amidst the existing public apathy. Concrete steps for the reform agenda has acquired prominence in the country. Parliamentary procedure which was completely stalled since last fifty years needs to be restored. The new Parliament has met six times (until April 2013) and various issues have come-up for discussion such as economic restructuring, social security, education, health care, environmental concerns and media reforms. Although, power has been decentralized by the new Constitution, it needs to be utilized with a greater degree of caution because historically, the political culture of Myanmar is entrenched with authoritarian and paternalistic attitudes. For centuries, client-patron relationship and hierarchical social and political values have dominated political structure in Myanmar.

National reconciliation with the ethnic nationalities has to be more inclusive and political dialogue must be initiated to see how to guarantee these different ethnic minorities equal rights and conditions of economic development that are also as egalitarian as possible. Although, the regime has witnessed transition but ethnic nationalities are unable to have their say in the governance. Addressing the issue of ethnic nationalities and resolving their decade long conflict is one of the most important challenges facing the country. The counter insurgency methods used by the armed forces in the border areas have increased their alienation. Further, the pressure on ceasefire groups to join the controversial Border Guard Force (BGF) has aggravated their already existing grievances. Recently, the use of Army’s operation in Shan state has resulted in abuses against local citizens (EBO 2011: 2-3). Conflict has also erupted in Kachin State since May 2011.

In accordance with the 2008 Constitution, the power was decentralized to the region and state level, now each of these seven ethnic states having their own state legislature and governments. But in practical terms, after the 2010 elections, each of these structures of authorities is dominated by the members of USDP (TNI 2011: 2-3). The situation is thus, very far from the federal
autonomy or self governance as demanded by the ethnic nationalities. In addition, the overwhelming role of the military, in the legislature may help in promoting their own interest, rather than the local population. However, there seems to be little to suggest that the situation has improved for ethnic nationalities after elections. While some limited political space has been created, but it will hardly have any immediate impact.

The formation of the military alliance by the ethnic groups to assist each other in the event of attack by the army has posed a practical challenge before the new regime. The use of violence in the Myawaddy region during November 2010 elections is a lesson which the new regime must always remember. In fact, it has been alleged that this was a part of the government’s policy of eliminating ethnic opposition including ceasefire groups that have refused to be under its direct control as BGF, as required by the 2008 Constitution. Overcoming of sixty year old ethnic conflict will not be easy and the government will have to do a great deal to build the trust necessary to move beyond temporary ceasefires to resolve the underlying political issues (ICG 2011 : 5).

The government has entered into a three step process for entering into a political dialogue with the ethnic nationalities (Mizzima 2012). The first step is to agree a ceasefire between each armed group and the respective state or region government, which is seen as essential for building trust and confidence. The second step involves broader discussions between each group and the national government can begin to address other issues of concern, including socio-economic, cultural and political issues. The third stage is intended to bring together representatives of all armed groups and other stakeholders to discuss the shape of a lasting political agreement on ethnic issues. This would include issues such as constitutional change to give greater autonomy, provisions for greater resource sharing with ethnic communities, and the future integration and demobilisation of members of armed groups (ICG 2012: 5).

International Isolation

The new regime, although took steps to normalize its relation with the West, nevertheless, several thorny issues remain bilaterally, regionally and multilaterally. The issue of nuclear non-proliferation and growing closeness of Naypitaw and Pyongyang has been a cause of growing concern for United States. However, the recent visit of the South Korean President in May 2012 has sent strong indications to North Korea. Relations between Seoul and Yangon are only now showing signs of recovery. Time and again the U.S has also reminded India of its duty to speak out against human rights violation in Myanmar. It has asked India to engage the regime push for democracy and release of political prisoners. However, cautious optimism has characterised the response of the international community to the new regime in Myanmar. The US, United Kingdom, EU have become more pragmatic in its orientation and have launched a substantial review of their policy.

The reform agenda led by the new regime in Myanmar aims to convince the military that the process would be gradual and controlled and that the military’s role as envisaged in the new Constitution would be respected. The leadership is trying hard to end its international isolation by promoting the Suu Kyi. National League of Democracy (NLD) after participating in the by-elections on April 1, 2012 rejoined mainstream politics. The party has moved to revive and open new
branch offices, reorganize its top brass and accept new member applications. The bye-elections has been the biggest political test for the NLD since it last contested in elections in 1990, when it earned an overwhelming victory against the ruling military junta but was prevented from taking power. NLD remains a minority in the Parliament but its landslide victory inspired many citizens who are hoping for the country’s full transition to democracy. The junta-backed USDP is still the dominant force in the local politics.

As a victory for the new government seeking international legitimacy after a series of reform moves, Myanmar is to chair ASEAN in 2014, following an agreement between Southeast Asian leaders at their summit. The ASEAN leaders are now convinced about the significant changes and developments taking place in Myanmar and those changes have made it more conducive for Myanmar to carry out this responsibility. This would encourage the present government to step up the momentum for reforms. It has been alleged that by giving Myanmar the chance to chair ASEAN, the grouping was trying to ensure that the momentum of democratization in Myanmar was maintained, as it would put a bigger spotlight on the country, requiring it to be more open and transparent (Jakarta Post 2011).

Political change in Myanmar is being perceived as an opening of fresh opportunity to expand business by the so called business tycoons—a result of crony capitalism of the military rule in Myanmar. Political and economic opening could lead United States and European Union to drop sanctions and allow Myanmar to compete in the global economy instead of relying on China for support. The new rapprochement marked by the landmark visit of US President Barack Obama who became the first President to set foot in Myanmar demonstrates that the process of reforms have gained momentum and recognition. The United States eased certain financial restrictions on Myanmar in April 2012, to allow non-governmental groups to operate in the country as it undertakes democratic reforms. It would no longer restrict Americans from financial transactions in Myanmar if they are working for projects that "meet basic human needs" or promote democracy. Such projects include assistance to internally displaced people, delivery of clothes, food and medicine, as well as educational programs such as English-language instruction and anti-illiteracy efforts.

British Prime Minister David Cameron is the first British prime minister to visit Myanmar in more than 60 years. Foreign Secretary William Hague, said that reforms undertaken so far by President Thein Sein raise hopes that democracy is within reach in the Southeast Asian nation (2012). David Cameron also made an announcement that his government would push for the suspension of European Union sanctions. The question however remains, how far and how fast the process of reform will develop (BBC 2012). Minister of Foreign and European Affairs of France, Alain Juppe during his visit in January 2012 was convinced about the total agreement between the different authorities to move forward along the path of the regime’s democratization and liberalization. The visit by French Foreign Minister has been a sign of Western approval of recent reforms by the new civilian government in Myanmar, after years of authoritarian rule (Voice Of America 2012).

In addition, the release of hundreds of political prisoners is seen as Myanmar’s most significant step towards ending its isolation and securing the removal of
European Union and US sanctions. The recent visit of the Myanmar’s reformist President Thein Sein to European countries is significant because it will trigger extensive economic partnership with European countries, which is crucial for their mutual benefit.

**Challenges of Economic Reforms**

Although, failure of regime performance in the economic front had delayed democracy in Myanmar but the new regime has taken all the possible steps for rebuilding the economy. President Thein Sein in his inaugural speech in the Parliament has focused on the ‘economic might’ for growth and development of the country. He emphasised on agricultural development as well as industrialization to transform country into a developed, rich one with a lot of employment opportunities and high per capita income. The new regime had invited international delegations to visit in October to advise policymakers on how to tackle problems with the kyat currency, which has appreciated 20 percent in a year, hurting farmers and exporters and bankrupting businesses.

After the 2010 elections, Myanmar is on a drive to attract investment, promoting tourism, timber, gemstones and its vast oil and gas reserves. In this regard, a “Special Economic Zone Law” was passed on 21 January 2011 to attract much-needed foreign capital to an economy held back by decades of sanctions and mismanagement. The new investment law follows a series of reforms undertaken over the past year, including the privatisation of hundreds of state assets, and plans to expand banking, telecommunications, shipping and agricultural sectors. Even Nobel laureate Suu Kyi has appealed for the support of the Burmese cause and establishment of a just political and economic order in Myanmar (2011).

Nevertheless, major reforms are required by the new regime to restructure and re-invigorate the economy. It has to become more competitive before its entry into ASEAN FTA in 2015. Another major issue which needs to be focused is the rapid increase in the value of the local currency kyat. Myanmar’s modest rate of growth at around 3 per cent is sufficient to finance the spending on health, education, and crucial infrastructure needed for transformational growth, but these revenues, unfortunately, are not utilized in constructive ways and have been channelized for arms and military infrastructure spending (Turnell 2011: 152). Its large fiscal deficit with double digit inflation around 20 percent is a matter of grave concern.

One of the primary challenge before the regime is Myanmar’s rural financial system which is in poor shape. A vast majority of farmers are not able to access formal financing of any kind resulting in reliance on informal money lenders whose high rate of interest results in an indebtedness cycle causing increasing landlessness. Transfer of technology and foreign direct investment beyond the resource extraction primarily in the field of construction of gas pipeline, mines and hydro-electric dams needs to be expanded. In addition, the quasi privatization drive which began after selling off numerous state assets has been devoid of public tenders and transparency. They are primarily associated with regime connected conglomerates. Under this background, domestic hurdles in the economic field need to be targeted for implementing deep and lasting
reforms. It has to really work hard for reversing the decades of economic mismanagement.

**Battleground for Capitalist Penetration**

Myanmar is seen by many investors as the next regional frontier market with its huge natural resources, large population and strategic location between China and India. A wave of reforms have seen the international community roll back many of the tough sanctions put in place to punish a brutal junta that ruled with an iron fist until it was replaced by a quasi-civilian regime in 2010.

Considered the last, large and untapped market in Asia, investors are eager to explore investments in Myanmar. As the sanctions have loosened, a rush for firms is looking to tap a potential 62 million consumers and a young workforce. It has turned out to be a new battleground for foreign investors and capitalist penetration. No one is talking about the human rights abuse and the hardship caused by the ethnic nationalities at the borders. Western intervention in Myanmar is moving away from humanitarian issues towards supporting capitalist penetration where MNCs from powerful countries are central players. Global corporate giants from Coca-Cola to General Electric have already started their operation for a share of an expected economic boom in the so long isolated country. However, Parliament has approved the new foreign investment law which seeks to attract foreign capital in the country. It has come as a part of a series of economic and political reforms as foreign investors and governments begin re-engage with Myanmar.

Many scholars have regarded it as the beginning of ‘scramble for Myanmar’ in the light of the changing stand of the Western powers and easing of the more than decade long sanction on the country (Singh 2012). Since 2011, Heads of states, diplomats, experts, business groups from Europe, America, Japan, Australia and South Korea have visited the country. Since then, various conferences, public events, official meetings and business forums are all geared towards fiscal liberalization. This has opened a new chapter in the history of Myanmar, where the country has become an economic battleground of capitalist penetration. This calls for the rise a critical left thinking and strengthening of the civil society groups for fostering a critical social movement in the country.

**Environmental Hazards and threat to Bio-diversity**

Just as Myanmar seeks to emerge from isolation and encourage investment in new infrastructure for electricity generation and transport to catch up with other Southeast Asian countries, it faces numerous environmental challenges and health hazards. Critical environmental issues are being raised and it is believed that developmental challenges will speed up environmental destruction and is also likely to lead to more human rights abuses. As of now, the authoritarian regime and foreign companies that have invested in the country since the 1988 transition to a market-driven economy have destroyed the livelihoods of much of the population. The transition to a market economy has been crippled by the absence of the rule of law. Government policies and increasing globalization have lessened economic, social, cultural and environmental rights and contributed to an increase in poverty. Accountability, rule of law, freedom, transparency and security is what is required presently in Myanmar.
As foreign investments begin pouring in Myanmar in the wake of political reforms in 2010, Asia’s last bastion of bio-diversity could be further lost and deteriorated. Virtually non-existing environment laws and lack of a democratic social movement, has made environmental conservation a casualty of openness in Myanmar. Pro-democracy reformers and civil society groups associated with conservation have urged the government to put more stringent laws and safeguards into effect. The influx of investment threatens both ethnic minorities and the environment, according to a new report by the Burma Environment Working Group (BEWG). The report highlights how Myanmar lacks any meaningful frameworks on environmental protection and sustainable development that would enable citizens to take part in decision-making about their country’s development, despite a recent transition to a military-dominated parliamentary political system. Unless a sound policy framework for environmental protection and sustainable development are in place to ensure that investment does not lead to unnecessary destruction of the natural environment and local livelihoods, Myanmar’s environment will continue to be a source of conflict and the concept of sustainable development would remain a mirage.

The country lies at risk of serious environmental crises and high exposure to natural hazards. Development of sea ports, special economic zones and road-rail connectivity projects poses grave environmental challenges which demands immediate intervention. In this regard, environmental activists have called for new and existing investors to stop immediately all project-related works until satisfactory safeguards are in place to ensure investment does not lead to unnecessary destruction of the natural environment and local livelihoods. The new measures are brought in to ensure sustainable development and multi-ethnic participation. In this regard, mention may be particularly made of the suspension of the Myitsone dam in September 2011, which was being constructed on the Irrawaddy River in the northern state of Kachin in Myanmar with the help of Chinese company.

**Conclusions**

After November 2010 elections, Myanmar has ushered into a new age of democracy and civilian rule. As the civilian government starts functioning in Myanmar, there are two juxtapositions—those joining the pragmatists believe that “anyone trying to do any good in Myanmar, has to work with the military rulers.” On the other hand, the idealists refuse to reconcile to the new civilian façade of the regime. However, on lifting the Western sanctions, there seems to be consensus and both the sides agree.

Even Aung San Suu Kyi appealed to the International community in Davos during the World Economic Forum in January 2011. She has also raised the issue of ‘trust deficit’ in the Parliament (New Light of Myanmar 2013). To quote her, “to make the economy a success, it all depends upon trust”. She further adds that, “no potential investor would make investment unless they have confidence in landscape of the country”.

In this context, it would be extremely challenging to deal with this trust deficit given the suspicions between the radical and the reformist forces in the regime.
Added to this would be the reservations within the NLD amongst a new generation of reformists and the hardliners of the old school of thought. The situation gets worse because of the distrust between the centre and the periphery. Ethnic nationalities being alienated by the regime in the wake of the recent outburst of violence in the Kachin state and communal clashes in the Rakhine state have added to the problem. Building up trust and winning the confidence of the people is the need of the hour. At this point of time, it would be interesting to know the strategy of the largest opposition party to build up trust and acquire the top position in 2015.

We see a new political dynamics emerging in Myanmar. Nevertheless, only regime change in not enough, it has to be supplemented with the social and economic transformation. While procedural democracy has been established, but the stability and survival of the regime would rest on deepening of democracy and its consolidation. This requires the institutions of liberal democracy to take deep roots in the society. Transformation from procedural to substantive democracy has to be inclusive. It needs to be cautioned against the problems and challenges of majoritarianism which has widened the gulf and fostered hatred and mistrust between the majority Burmans and the ethnic minorities living in the frontier areas. As an advocate of democracy, Nobel laureate Aung San Suu Kyi must champion the cause of minority rights, empowerment and enfranchisement of all ethnic nationalities. According to her, “we require to have a national policy and a vision to move forward on the path of democracy ahead. The call of the hour should be identification of the ‘need’ of the people by the government of Myanmar”. She further adds, “Best business practices, responsible investment and respect for human rights and dignity may help in building up our long term convictions” (2013).

The reform process, however, in Myanmar is disturbed by the reformists and conservatives in the regime. The hardliners have become more concerned after the last bye-elections when military backed USDP could just get one seat. Nevertheless, resolving the ethnic issue will be Myanmar’s biggest challenge now. Overcoming of sixty year old ethnic conflict will not be easy and the government will have to do a great deal to build the trust necessary to move beyond temporary ceasefires to resolve the underlying political issues. The Parliament has recently approved a new foreign investment bill in a bid to woo the investors and is currently working on a new media law which would replace the draconian Printers and Publishers Registration Law of 1962.

Although, the new civilian regime has made some promising changes but it has a long way to go towards democratic consolidation.

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Pyithu Hluttaw Election Law, SPDC Law No. 3/2010


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Southeast Asia Programme (SEARP) at the Institute is supported by the SAEA Research Group Singapore.