



# SPECIAL REPORT

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## ABOUT THE REPORT

This report was originally written in shorter form for the U. S. Institute of Peace's (USIP) former Africa director, Jon Temin, who was seeking clues about what factors led to Myanmar's political transition to see if they might offer constructive lessons for other contexts where authoritarian governments open up to democratic transitions. The idea of expanding it for publication came from USIP Associate Vice President Colette Rausch and Interim Director of USIP's Program for Religion and Peacebuilding Susan Hayward, and I am grateful to them for their expert guidance and encouragement. It would not have come about without them.

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*Priscilla Clapp*

## Myanmar

### Anatomy of a Political Transition

#### Summary

- Since the end of the Cold War, many countries have attempted to transition from authoritarian governments to democracies, with varied results. The political transition that began in Myanmar with the elections of 2010 was planned, as the leadership moved gradually toward democratization while keeping in place many of the authoritarian structures of the previous government during the transition.
- Myanmar's transition has been marked by a number of key elements. Among them are a strong and persistent democratic opposition with an iconic leader; twenty years of detailed planning by military leadership to establish its version of democracy, which incorporates political opposition in one form or another while assuring continuity for the military; willingness to tolerate competing centers of power in the new government; and a fortuitous combination of personal dynamics to provide an opening for reform and a serious break with the past.
- The parliamentary elections of 2015 and the presidential election that will follow in early 2016 represent a tipping point in Myanmar's transition. The outcome will serve as a litmus test for whether the country can continue down the road to genuine democracy. The unpredictability of the election undoubtedly contributes to a popular sense of unease about the sustainability of reforms.
- Despite this, Myanmar's transition remains one of the most promising in recent years and is worthy of strong support and assistance from the international community. It may already offer valuable lessons for other countries attempting to transition from authoritarian to democratic government.

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#### Introduction

Since the end of the Cold War, many countries have attempted to transition from authoritarian governments to democracies, with varied results and many false starts. Most often these attempts at transition are precipitated by social movements, mass protest, or instability, and not a planned move by the leadership. The political transition that began in Myanmar with the

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elections of 2010 is a rather unusual example of a planned transition, as the leadership staged gradual steps toward democratization while retaining many of the authoritarian structures of the previous government during the transition. The new structures of governance now in place are still far from meeting the standards of genuine democracy. But the process has been relatively inclusive of the former regime's opponents—both democracy advocates and ethnic minorities—thereby attracting great interest and support from the international community. This study analyzes the elements that brought Myanmar's transition about and the issues that threaten to arrest and complicate it five years later, in the present.

Myanmar endured more than five decades of military rule and domination since General Ne Win's military coup of 1962. The 2010 vote was not the country's first attempt to return to elected governance. In 1974, Ne Win introduced a socialist constitution and single-party parliament, albeit one dominated by the military. In 1990, the State Law and Order Restoration Council (SLORC) held multiparty elections but refused to seat the parliament when the democratic opposition won an overwhelming majority of seats. The 2010 effort was more far-reaching and carefully mapped than previous attempts: The State Peace and Development Council (SPDC)<sup>1</sup> had spent twenty years painstakingly drafting a new constitution to pave the way for multiparty elections that would guarantee continuing military control over the political process, which they christened "discipline flourishing democracy." This 2008 constitution was clearly a model of electoral authoritarianism, common to many developing countries, where dictatorships of one kind or another seek to cloak themselves in an elected veneer.

The outgoing military regime openly manipulated the elections of 2010 to produce the desired outcome: a quasi-elected government in which uniformed military were appointed to one-quarter of all parliamentary seats. All positions of authority were occupied by senior military leaders from the SPDC who had taken off their uniforms on the eve of the elections and run for office. Observers both inside and outside the country thus expected the new government to be simply a rehash of the SPDC in civilian clothing, with the uniformed military embedded in the center, holding veto power over all crucial decisions and poised to reinstate martial law at will—all according to the new constitution.

There was surprise and disbelief, therefore, when the new president immediately announced his intention to undertake sweeping political and economic reforms of a dimension unimaginable for more than fifty years. Why, after laying such meticulous plans for a long, controlled transition, did the new ex-military leadership decide to undertake such far-reaching change so quickly?

The answer lies in two fundamental factors. First, the provisions in the 2008 constitution guaranteeing military control over essential parts of the political process gave military leaders the confidence to open the economy and expand the political space. Although the constitution promised broad freedoms and opportunities for participation in the political process for opposition and ethnic minority parties, it also left the old security structures and repressive regulations in place. Thus, leaders believed they could maintain internal security and stability as they gradually released constraints on the civilian population. Perhaps most important may have been the confidence it instilled in the senior general, who retired from office once the new leadership was in place.

The second factor was the particular array of personalities who landed in key positions in the new government and their apparent determination to signal a distinct break with the past. Seasoned observers believe that the key to their behavior was Senior General Than Shwe's decision to step back from power and allow those he had put at the head of the new government to proceed as they felt best.<sup>2</sup> After testing the waters by articulating increasingly sweeping reforms, initiating contacts with former enemies of the state in the democratic opposition—especially National League for Democracy (NLD) leader Aung San Suu Kyi, whom the SPDC had

continually demonized—and the armed ethnic minority opposition, they saw that their moves did not elicit a negative reaction from the former senior general. This was the signal leaders needed to move ahead with a more dramatic reform program, particularly macroeconomic restructuring to produce the economic development that had eluded previous military governments. The leadership recognized that this would require ending the country's self-imposed isolation and opening Myanmar to the world. They also recognized that a degree of political liberalization was needed, both to invigorate the civilian population at home and to respond to the demands of Western governments. Myanmar's leaders seem to have calculated these plans within the five-year time frame of the new government's first term—the only period of time they could be certain of controlling. This may have been what lent a sense of urgency to the early reforms.

This report describes the two parallel factors in Myanmar's transition to explore whether its elements might be instructive for formulating orderly transition elsewhere. Although Myanmar's transition still has many major challenges to overcome and is by no means assured, the political and economic liberalization achieved during its first three years has opened unexpected new possibilities—for better or for worse—for the country's future. Given the many chaotic attempts to replace authoritarian governments that we are witnessing today, it is possible that Myanmar's experience may hold some valuable lessons.

## The Decay of Military Rule

For more than fifty years, Myanmar was controlled by a military government with only two consecutive leaders at the top, both of whom ruled with an iron fist.<sup>3</sup> The top leaders were the final authority on all matters concerning governance and security and surrounded themselves with military sycophants. Those who gave any appearance of deviating from the top general's program were quickly purged. A group of senior military officers whom Ne Win had purged became the early backbone of the democracy movement in 1988. Learning from this example, Senior General Than Shwe, who followed Ne Win in 1992, made it clear that when senior officers were retired from his government, they should keep far away from politics if they wanted to stay out of jail and keep their pensions.

The military leaders' paramount objective was to hold the country together in the face of one of the world's longest running civil wars, in which multiple nonstate ethnic armed groups, combined with a communist insurgency at one stage, were fighting for independence or to overthrow the Rangoon government. The leadership came to believe that the country's civilian population was too fractious and undisciplined to participate in governance, and for most of the period, political activity was banned by law and punishable by jail.

The military regime suffered from a glaring weakness, however: an inability to manage the economy. It centralized the economy in the hands of the military, diverted valuable resources to the military apparatus, and starved the civilian economy. Leaders kept a tight grip on the most crucial civilian commodities, such as rice and cooking oil, hoping to ensure there would always be enough to prevent popular unrest. Their arbitrary and often inept manipulation of the levers of the economy, however, often caused sudden, severe hardship for urban populations, leading to major popular protests, most famously in 1988 and 2007. After the country joined the Association of Southeast Asian Nations (ASEAN) in 1997, many of the top leaders began traveling in the region to attend ASEAN meetings and could see how far behind Myanmar had fallen. The country's almost feudal conditions made it a drag on ASEAN, whose original members were advancing rapidly both politically and economically. Furthermore, after 1990, the regime's harsh repressions drew increasing waves of political and economic sanctions from

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Western governments. Senior U.S. officials began to boycott major ASEAN meetings to protest the group's decision to embrace Myanmar.

In the final decade of military rule, many top generals used their control over the country's resources more actively to enrich themselves and their families through crony business relations with Chinese, Thai, and other Asian companies seeking access to energy, minerals, timber, and other assets Myanmar had to offer. The kleptomania fueled the government's battles with nonstate armed groups where the resources were concentrated, and profits were funneled directly into the pockets of the military leaders, leaving the population in ever greater poverty. After twenty years, the corruption of the military regime had reached a peak, and even those at the top must have known it was time to turn the corner.

## **Developing an Orderly Retreat**

When Ne Win stepped down amid the chaos of the 1988 popular uprising, he instructed his cabinet to return the country to multiparty parliamentary governance. His military successors took this as an order and began almost immediately to plan a transition. They intended to create a clone of the military's Burma Socialist Programme Party (BSPP) government with multiple parties rather than just one, except that one party composed of trusted members of the former BSPP would dominate. Leaders believed they could make this transition simply by holding elections and encouraging a plethora of small parties to participate, knowing that the small parties would be unable to compete effectively with the pro-military party. They staged the 1990 elections with little thought to the structure of government that would follow, and they threw as many roadblocks as possible in the way of the antimilitary parties as they campaigned for office. They did not write a new constitution to determine how the elected government would form and govern, and they did not anticipate the breadth and depth of popular resentment of the military itself.

When the NLD, the main opposition party—actually a collection of smaller democracy parties who joined forces to compete with the pro-military party—won an overwhelming majority of seats in the new parliament, the military leaders realized they had badly misjudged the mood of the people, and halted the transition immediately. They believed that all the blood they had spilled holding the country together over the years would be lost in the chaos and confusion of untested civilian leadership. They began to crack down on opposition leaders and decided that they would need much better preparation before embarking on political transition. So they spent the next twenty years developing a new constitution, holding the democracy movement in check with harsh repressive measures, insulating themselves from reprisals and punishment from Western governments by embracing their Asian neighbors, and building a strong military force that could prevail against internal enemies.

Meanwhile, the world moved forward, merging into an increasingly globalized economy, rewarding the Asian tigers with rapid economic development and drawing them into the global community and its evolving social and political standards. Myanmar descended to the lowest international rankings for almost every indicator: economic development, political governance, respect for human rights, transparency and corruption, and human and narcotics trafficking. External pressure on the military regime was mounting steadily, and its ASEAN partners were becoming impatient. After the regime's egregious attack on Aung San Suu Kyi in 2003, ASEAN governments began to speak out, and even China chimed in. Thailand proposed that ASEAN should develop a roadmap for transition in Myanmar, anticipating that the 2006 date for Myanmar to assume the chair of ASEAN was fast approaching. To preempt the Thai initiative, the military regime quickly came up with its own seven-step plan, beginning with completing the new constitution and ending with seating a new multiparty

civilian government. In 2005, Myanmar agreed to step back from the ASEAN presidency until it had completed its transition. Nonetheless, the SPDC continued to dawdle.

In 2007 and 2008, the regime was confronted with two major events that it failed to handle well. A sudden and ill-considered decision in September 2007 to remove government subsidies from fuel prices increased transportation costs exponentially, throwing public transportation into crisis and causing a wave of inflation and commodity shortages for the large urban population. As in 1988, this triggered a public protest that large numbers of Buddhist monks and nuns quickly joined, demonstrating their solidarity with the people. When the government failed to prevail on the monks to desist from their protests, security forces were deployed to halt the demonstrations by force. These forces ended up firing on monks and demolishing monasteries, to the horror of Myanmar's people and the international community.

In early May 2008, the worst cyclone in Myanmar's history, Cyclone Nargis, swept across the Irrawaddy delta, killing between one hundred thousand and two hundred thousand people and leaving millions devastated. The military leadership, bunkered in its new capital of Naypyitaw, refused to recognize the magnitude of the devastation and failed to provide assistance or allow international aid into the country. Although ASEAN and the United Nations eventually joined forces with the government to develop a structure for delivering assistance, the damage had been done. The civilian population of Rangoon and other large urban centers pitched in to help the people of the delta, clearly defying the government. Some in the upper reaches of the military were dismayed by the government's inadequate response.

The failure of top military leaders to deal more effectively with Myanmar's crises was probably in part a result of their preoccupation with final preparations for a political transition. On the eve of the so-called Saffron Revolution of 2007, the government was finally moving forward with its seven-step roadmap, concluding the constitutional drafting process. The new constitution was written amid the turmoil of 2007 and presented for approval in a mock public referendum only days after the cyclone struck in 2008. Not long after this, the regime announced that elections would be held in 2010 for a new multiparty parliament.

In hindsight it is clear that serious cleavages were developing between conservatives and moderates inside the regime. The conservatives were arrayed around Senior General Than Shwe, himself a committed conservative and chief beneficiary of the corrupt economy. The moderates, part of the inner circle, apparently concealed their liberal tendencies to avoid being purged. However, it appears that they were also consulting actively with members of the business community who were urging wide-ranging political and economic reforms once the transition got under way. A key source of advice to the moderates was a group called Egress,<sup>4</sup> which had been formed ostensibly as a private educational institution to provide technical and quasi-political training to young people. Rumor has it that Egress advisers helped draft President Thein Sein's inaugural speech, in which he outlined major political and economic reforms.

There is little question that Than Shwe choreographed the outlines of the constitution and the transition plan, along with the 2005 move to the new capital of Naypyitaw, where the outgoing and incoming governments could be shielded from Rangoon's congestion and chaos. Most observers believe that he was acting on Ne Win's 1988 orders to return the country to multiparty parliamentary government and realized that, as his own years advanced, he needed to leave a legacy better suited to the modern world than the sclerotic military government over which he and his predecessor had presided. Many also believe that, while he wanted to fashion a military-dominated government, he also wanted to ensure that it would not be amenable to one-man rule, so that he and his family would be protected when he stepped back. Previous leaders had consistently been brought to a sad end by their successors. Ne Win jailed and then exiled his predecessor, U Nu. Than Shwe placed Ne Win

under house arrest, where he met an ignominious end in 2002. What Than Shwe may not have anticipated was the extent of the more liberal thinking developing around him in the SPDC's final few years, as the seven-step plan moved toward its denouement.

With all the pieces in place for a carefully managed transition and the type of government that would follow, elections took place in November 2010. To avoid another upset by the opposition, the regime effectively sidelined the NLD by detaining Aung San Suu Kyi and constructing draconian election laws to encourage the NLD to opt out of the elections.<sup>5</sup> The giant government party and the electoral commission further manipulated the elections to ensure that the government party would win at least as many seats as the NLD had taken in 1990. Unsurprisingly, it gained an overwhelming majority. Provisions for gradually dismantling the SPDC were incorporated in the constitution, including absolving all SPDC members of responsibility for any actions their government had taken. All existing laws remained until the parliament could pass new laws to replace them. When the new parliament began to meet in early 2011, Than Shwe sat in the chair until new leadership could be elected. Interviews with senior government officials confirm that Than Shwe personally guided the selection of the top leaders—president, vice presidents, parliamentary speakers, military commander-in-chief, and most of the ministers. He placed his most trusted generals and former generals in the top positions,<sup>6</sup> inadvertently or not, building competitive centers of power that would check and balance each other to prevent any one leader from gaining primacy.

With the seating of the new president at the end of March 2011, Than Shwe and his deputy, Vice Senior General Maung Aye, stepped back and went into retirement. Maung Aye suffered a debilitating stroke shortly after retirement, and Than Shwe settled into a relatively anonymous existence. Many of the top officials in the government and party say they visit him occasionally to keep in touch but deny that he has an active role in guiding the new government. Most observers, including well-placed officials, do not believe that he is so detached. There has been no clear evidence of his involvement, except perhaps in cases of senior military promotions and assignments. However, so long as he is alive, the aura of his authority will hang over the government.

## **The Power of Personality**

No matter how carefully the plans were laid for transition, they could not predetermine the effects of new leadership personalities on its implementation. As one of the leading authorities on Myanmar's military has described it, the surprise in this transition is attributable to the fact that "a handful of personalities with particular histories, quietly held agendas, and established hierarchical allegiances upon which they could rely...landed in the right jobs at the right time."<sup>7</sup>

### ***President Thein Sein***

In his inaugural address on March 31, 2011—in a move that may have surprised Than Shwe—President Thein Sein outlined plans for sweeping economic and political reforms, suggesting that policies of the past had failed. He began to talk about reducing poverty, responding to public opinion, encouraging political activity, and inviting exiles to return—all subjects that had been forbidden under the SPDC. Thein Sein also appointed three civilian experts as senior advisers for economic, political, and legal affairs and began acting on their advice. He empowered two ministers in his new government to take on major reform programs, one for structural economic reform and one to begin peace negotiations with the country's armed ethnic groups.

In August 2011, Thein Sein approved the participation of NLD leader Aung San Suu Kyi and invited her to visit him at home for a serious exchange of views. A month later, citing public opinion as the deciding factor, he announced the immediate suspension of Chinese construction on a controversial dam at the confluence of the two rivers that form the headwaters of the Irrawaddy, the country's central artery. By October, he had reached agreement with parliamentary leaders and the election commission to amend the election laws as an inducement for the NLD to compete in by-elections for some forty-five seats in parliament, so as to bring Aung San Suu Kyi into the new government and encourage her to engage positively in the democratization effort.

During the first year of the president's term, there was a low-grade but intense struggle between reformers and those in the status quo camp, who preferred to move much more slowly with reforms and efforts to accommodate the SPDC's former enemies. The status quo camp had at least one representative in the top leadership, who apparently used the aura of his previously close relationship with the retired senior general to deliberately undermine and question Thein Sein's decisions and policies. Several well-placed ministers and senior government party (Union Solidarity and Development Party [USDP]) officials in the parliament became associated with his efforts to slow things down.

An early showdown between the two camps concerned differences over how to approach peacemaking with the armed ethnic minority militias, the so-called cease-fire groups.<sup>8</sup> Shortly after the new government was seated, fighting broke out in Kachin State as a result of misguided SPDC efforts just before the elections to force the cease-fire groups to assimilate into the national army as border guard forces. Seeing the renewed conflict as a threat to the new government's stability, Thein Sein started his own peace process with all the cease-fire groups and assigned a trusted adviser and former general, Minister Aung Min, to lead the effort. However, the team that led the ill-fated border guard negotiation continued to direct negotiations with some of the key cease-fire groups. Fighting in Kachin State intensified, though Aung Min's negotiations began to produce results. Most significantly, for the first time since independence, a cease-fire agreement was reached with one of the armed groups, the Karen. Shortly after this, the president consolidated all the talks under the control of Minister Aung Min, clearly distancing the new government from the previous government's negotiating tactics.

Early in the new government's second year, the most senior of the conservative spoilers resigned from office, leaving a vacancy at one of the highest levels of the executive branch. The president used this to reorganize his cabinet, moving some of the more conservative ministers to less critical positions. He also appointed a number of technocrats to deputy minister positions to improve the ministries' capacities to implement reforms. His two most trusted ministers and four others were moved into the president's office as "superministers" with authority over other ministers, strengthening his own office's management capacity.

### ***Parliamentary Speaker Shwe Mann***

While the struggle between reformers and status quo officials was playing out in the executive branch, Myanmar's rubber-stamp parliament was being transformed into a center of political activism under the leadership of the speaker of the lower house, former general Thura Shwe Mann. Undoubtedly impressed that the retired senior general had tolerated the president's bold moves, Shwe Mann began to make some moves of his own in late 2011 and early 2012. As army commander and third-highest-ranking official in the previous government, he had expected to be a prime candidate for president in the new government. When he found that he had been relegated to the parliament, he apparently decided to deviate from the original plan and turn the parliament into an active proponent of reform and democratization. He

welcomed Aung San Suu Kyi and her party into the parliament in June 2012 and carved out a special place for them, establishing a Rule of Law and Tranquility Committee for the NLD to chair. He encouraged all members of parliament to engage actively in the business of legislation as equals, without regard to party, and he pursued an aggressive agenda of parliamentary oversight of the executive branch. He formed twenty-one new standing committees, in addition to the four prescribed in the constitution, to extend parliamentary oversight into every aspect of governance. In early 2012, he led the parliament in its first review of the president's annual budget proposal and raised serious questions about it, including military spending. In the process, his parliament decided to eliminate one of the military-led ministries, arguing that it was redundant, and it refused funding for the irrigation sector of the Ministry of Agriculture, arguing that it could not be trusted until it addressed the widespread corruption a recent Auditor General report had exposed. Shwe Mann and other parliamentarians traveled widely during the first two years, studying other parliaments, how they operated, and the structures they formed to conduct their affairs independently.

The parliament serves as a bastion for the government party, which is populated largely by members of the former regime, their cronies, and former civil servants. When Shwe Mann became a proponent of reform and democratization, however, many of them felt liberated to act on their own reform instincts, and the party quickly divided into a variety of different interests. Speaker Shwe Mann used his authority in the parliament and as head of the USDP to prevent the more conservative old guard from derailing reform efforts. By encouraging all members of parliament to work together as equals without regard to party lines, he probably managed to strengthen the reformist trends in the government party by joining forces with other parties to outvote the more conservative elements of the government party and the military members of parliament. In the process, he created a largely consensual body that could mount serious challenges to the executive branch—at least during the first three years of the new government.<sup>9</sup>

### ***Commander-in-Chief Min Aung Hlaing***

The other key personality in the leadership has been the commander-in-chief of the armed forces, Senior General Min Aung Hlaing. Given extraordinary powers by the constitution to keep the military involved in the country's political life, Min Aung Hlaing has seen his mission as one of protecting the military prerogatives derived from the constitution, in addition to ensuring the country's security. He and the military leadership have generally gone along with the president's reform program and accepted many—though not all—of the restrictions both the parliament and the president have imposed on military authority, particularly in the economic area. Although it is still unclear where the bottom line is for the military, constitutional amendments restricting the military's role in the political process, which are currently under consideration in the parliament, have drawn negative responses from the parliament's military members. For example, because the constitution requires a parliamentary vote of more than 75 percent for an amendment and military representatives occupy 25 percent of the parliamentary seats, the commander-in-chief is a key determinant of whether the constitution can be amended. The military—presumably acting at the behest of the commander-in-chief—has signaled its unwillingness to accept any modification of this provision. Most recently, the military members of parliament have proposed some constitutional amendments of their own. These would strengthen the key executive branch decision-making body, the National Defense and Security Council, giving it power to dissolve parliament and impose martial law more easily than the current constitution allows. The proposals were clearly designed to signal military discontent with the active parliament and the speed of the transition. Min Aung Hlaing himself is facing the age limit for retire-



ment in 2015 and may decide to run for a seat in parliament, possibly becoming a potential candidate for president in 2016.

### ***NLD Leader Aung San Suu Kyi***

When she took her seat in parliament, Aung San Suu Kyi was immediately elevated into the leadership of the new government by virtue of her status as the country's democracy icon. Reformist leaders needed her in their reform process to give it credibility at home and abroad, so her decision to join the government, despite her strong opposition to the constitution, was a major concession to the government's leadership. In the parliament, she chairs the Committee on Rule of Law and Tranquility, created for her by Speaker Shwe Mann, and she has sided with him in his challenges to the executive branch and the president. She has also maintained her own relationship with the president, though it is not always comfortable. At least once, she, Shwe Mann, and the president have consulted together and released a joint statement on communal violence. She has also reached out to military and ex-military officials in parliament and attempted unsuccessfully to meet with the commander-in-chief.

Over the past two years, Aung San Suu Kyi has campaigned to change the provision in the constitution that makes her ineligible for the presidency. For a while she concentrated all her energies on this single theme. Later she switched her focus to Article 436 of the constitution, which elaborates the procedures for amendments, giving the military its veto. Both President Thein Sein and Speaker Shwe Mann have expressed their support for her access to the presidency, always pointing out that it will first require a constitutional amendment. They probably believe that the army, and not they, holds the key to changing the constitution. In 2014, the NLD leader spoke out strongly against the military role in the political process and the barrier this poses to the country's democratization. Her working relations with the military have thus remained problematic.

## **The Role of External Actors**

The motivation and design for the political transition in Myanmar was largely homegrown, but such transitions do not occur in a vacuum, free from external influence. Factors in the international environment, particularly in Myanmar's immediate neighborhood, were inherent in the transition's planning process. During the last twenty years of military rule, the international community, under pressure from Western governments and institutions, sought to impose onerous political, economic, and legal pressures on the country in hopes of forcing the generals to reform. The generals adamantly defied these pressures and relied on their Asian neighbors to shield them from the worst of the international retributions. However, once the elected government had been put in place in 2011, the new leadership immediately invited foreign assistance and advice and strove to meet modern political and economic standards. All the external influences the military leadership had been staving off for decades began to flow into the country, and the plans for a gradual transition evaporated.

### ***The Regional Environment***

Myanmar's security concerns have been internal since its independence in 1948. The country is located in what is now a relatively peaceful and friendly neighborhood in Southeast Asia, and it managed on the whole to avoid involvement in any of the regional conflicts that affected its neighbors during the Cold War. The regime has exhibited no external or expansionist ambitions and has long enjoyed friendly relations with the countries on its

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borders. Its large military forces have not been perceived as a threat to its neighbors or the region; they have been structured and equipped largely to fight internal insurgencies and to maintain repression. Even when neighbors have given support and refuge to armed ethnic groups and political opposition, the military government has never allowed this to impede good neighborly relations.

By 2008, therefore, Myanmar's military government could expect welcoming support from its ASEAN colleagues, who had made the transition a condition of Myanmar assuming the ASEAN presidency. Likewise, its giant neighbors, China and India, had pressed in the past for reforms that would improve the country's investment climate.

### ***The Hostile Post–Cold War Spotlight***

At the height of the Cold War conflicts in Indochina, General Ne Win—who had seized power in 1962—scrupulously shielded the country from the outside world to cope unimpeded with the internal communist-led insurgency inside what was then Burma. The military leaders who replaced Ne Win in the wake of the popular uprising of 1988 could see that his extreme isolationist policies had left the country far behind its neighbors. Hence they began to open the economy to foreign investment, particularly from Asian neighbors.

With the 1990 elections for a multiparty parliament, the new military regime also took a first step toward sharing power with civilians, believing that the party sympathetic to the military would easily win. This process halted when they lost badly to the democratic opposition. The changing post–Cold War world, however, no longer allowed them the freedom to repress the civilian population with impunity.

Furthermore, the emergence of Aung San Suu Kyi's leadership of the democracy movement following the 1988 uprising catalyzed a sustained and unprecedented international interest in promoting respect for human rights and democratic practices in Burma, much of which she orchestrated personally through trusted friends, family, and officials of foreign governments.

### ***The International Sanctions Regime***

U.S. sanctions, which were imposed gradually over a ten-year period, were the most punitive. They banned U.S. investment, imports from Myanmar, and the use of U.S. financial services in Myanmar (e.g., banking, credit cards). They severely restricted visas to the United States for government and military officials and their families, as well as holding visits by U.S. officials to Myanmar to the level of deputy assistant secretary. Congress also refused to credential an ambassador, leaving the United States with a charge d'affaires to serve in place of an ambassador for twenty-two years. The United States refused all military assistance to Myanmar but provided generous humanitarian and political assistance to political opposition groups in exile in Thailand and the United States. It refused to send senior officials to ASEAN meetings for many years or to host any high-level ASEAN meetings. Finally, it even refused to recognize the name change from Burma to Myanmar that the new regime instituted in 1989.

Because U.S. economic sanctions were largely unilateral, they had only a marginal effect on Myanmar's underdeveloped economy and were largely negated by Asian investment and trade. Financial sanctions did bite, however, particularly against the so-called cronies, who were denied access to international banking, though this was a relatively narrow band of the economy at that time. While not as harsh as U.S. sanctions, the European Union, individual European governments, and Australia also imposed their own; trade and investment were lightly restricted and some financial services were denied. They joined the United States in providing generous assistance to the exiled political opposition. Through international financial institutions, Western governments jointly sustained a veto on both financial and technical

assistance to Myanmar, impeding the major source of foreign economic development aid that its neighbors had enjoyed over the years. This was only marginally offset by the humanitarian assistance that UN agencies and a number of international nongovernmental organizations (NGOs) managed to provide inside Myanmar from 1990 on.

With Western governments in the lead, the United Nations was active in collective efforts to pressure Myanmar's military government, harshly condemning Myanmar's human rights record in the General Assembly each year, keeping Myanmar constantly on the Human Rights Council agenda in Geneva but, thanks to China's veto, failing to pass any meaningful resolutions in the UN Security Council. The United Nations also formed a Friends of Burma group, consisting of many concerned governments from Asia and the West, who met periodically to discuss strategies for coordinating international efforts to move the military government forward. The secretary general appointed a special envoy for Myanmar, who visited regularly to encourage dialogue between the generals and Aung San Suu Kyi. For a brief period in 2000 and 2001, the special envoy spurred a dialogue that resulted in Aung San Suu Kyi's release from detention, with permission to travel around the country for the first time since 1989. Unfortunately, she was detained again in 2003, and from this point the generals merely humored the UN special envoy during his periodic visits.

In the final years and months before the 2010 elections, international human rights activists tried to convince the United Nations to form a commission of inquiry into crimes against humanity by all the parties—government and nongovernment—perpetrating violence against civilians inside Burma. This gained enough momentum to win the support of several smaller governments. The U.S. government, however, was only lukewarm to the idea, and it never gained traction in the United Nations. Eventually Myanmar's transition rendered it moot. One can only speculate whether such a move might have interfered negatively with the regime's willingness to move forward with the transition when it did.

### ***Assessing the Effects of External Pressure***

In the tradition of the Ne Win government before it, even as the military government prepared for transition, up to 2011 it was determined to limit any foreign influence on the state, the economy, the society, and ethnic Burman culture. It was thus prepared to resist firmly all foreign attempts to intervene. Efforts by Western democracies and human rights advocates were perceived as hostile attempts to disadvantage and destabilize the country and to complicate the plans for a gradual political transition. Aung San Suu Kyi was seen as an agent of these hostile Western powers and an instigator of Western sanctions; the official press portrayed her as an "axe handle," an instrument born of the tree it is designed to cut down. The language of democracy and human rights was mocked and treated as inimical to the country's national culture. Although the population widely dismissed the government's campaign against the West and the opposition, it was certainly inculcated in the military itself.

However, as the country's Asian neighbors became a buffer against Western opprobrium and punishment, and were considered friends and protectors, they could at least marginally penetrate the curtain of secrecy and isolation around the leadership. As the pace of Chinese economic transformation accelerated and political development in key ASEAN countries moved them toward democracy, the immediate environment around Burma-Myanmar changed, inevitably affecting interaction between Myanmar and its neighbors, both politically and economically. As the generals formed their plans for transition, they studied the experiences of their neighbors' political and economic transitions from authoritarian governments to more liberal systems; the results of their study are reflected in many aspects of the 2008 constitution. In the final years before the transition, Myanmar's Asian

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Western sanctions and punitive policies, on the other hand, created a barrier to Western communication with and influence on Myanmar's military leadership, minimizing the effects of Western pressure. Western observers almost entirely discounted the regime's plans for transition; there were no serious attempts to engage with the regime on its plans until the final year before the elections of 2010, when the regime was most intent on insulating its plans from outside influence. Therefore, it was a surprise when the new government embarked on its reform program. This suggests that, as much as the military leadership resisted outside pressure before transition, many in the leadership were listening, probably realizing that this kind of change would be crucial to enticing the political opposition into the effort and gaining international support for the new government.

As mentioned above, one can question whether Myanmar's transition would have proceeded differently in the absence of sanctions and extreme political pressure from the West. Because the initial plans for transition to multiparty parliamentary governance were already under consideration before any sanctions were imposed, the sanctions cannot be said to have brought about the transition in the first instance. At the same time, there is no question that the form and intensity of Western pressure on the military regime supported and strengthened the political opposition and presented the ideal of liberal democracy as the most legitimate alternative to military rule. Ultimately these ideas took root inside some elements of the military leadership and its civilian advisers and became incorporated into the new government's approach to policy.

## **Future Prospects**

The parliamentary elections of 2015 and the presidential election that will follow in the new parliament in early 2016 represent a tipping point in Myanmar's transition. Most will see the outcome as a litmus test for whether the country will continue down the road to genuine democracy. Over the past year, relations among the country's top four leaders have become intensely political as they position themselves for the elections, making working relations at the top less than cordial, complicating key decisions, and raising public concern that the reforms are stalling. At this stage, the unpredictability of the election outcome undoubtedly contributes to a popular sense of unease about the sustainability of the reforms.

Several key issues hang in the balance. First is the question of whether the main political actors, both individuals and political parties, are ready to govern by coalition and compromise. The USDP—the government party—cannot win the overwhelming majority it achieved in 2010, which gave it uncontested control of the parliament and thus the presidency for the first five-year term. As the by-elections of April 2012 dramatically demonstrated, Aung San Suu Kyi and the NLD party have great electoral strength and could well become the single largest party in the parliament in 2015, if the elections are relatively free and fair. The ethnic minority constituencies will mostly go to the ethnic parties, who now see the parliament as key to gaining their political rights in the future. Although the parliamentary seats reserved for the military will remain at 25 percent, at least for now, the balance of power in the parliament will be much more evenly distributed among these four groups than it is now, requiring coalition building to arrive at a majority vote for the president, as well as for all parliamentary activity in the next five-year term.

Second, the peace process may not reach a successful conclusion before the election, if it continues at its current pace with both parties refusing to make the final compromises

necessary to reach a universal cease-fire agreement. Lack of resolution in the peace process will probably tarnish the government party for the voting public, because the government has encouraged expectations of reaching a cease-fire before the elections. If there is no cease-fire, the army will be seen as the spoiler. Furthermore, if the army continues its attacks on ethnic armed forces, leading to the exclusion of large ethnic constituencies from the elections, as happened in 2010, the credibility of the peace process will suffer a serious blow. Finally, if the president decides to postpone the elections because of the failing peace process, as he once suggested, the credibility of the reform process itself would be questioned. On the other hand, if a national cease-fire agreement emerges before the elections, it will be to the government party's credit.

Third, because politics in Myanmar are still defined largely in terms of the long struggle of democratic forces against military domination, the inevitable losses by the government party in the election are likely to be interpreted as a popular vote against military participation in political governance, as it is currently enshrined in the constitution. Although the commander-in-chief and others in the military leadership have largely cooperated with the decisions made during the past four years to scale back many of their prerogatives, they have objected to constitutional amendments that would reduce their current political power—most significantly the constitutional provision that gives them veto power in the parliament over any proposed amendment. Furthermore, the amendments to the constitution the military has proposed reflect a strong distrust of the parliament. This, combined with the faltering peace process, suggests that the military may wish to decelerate the reform process, at least until the elections bring more clarity to the future balance of political power. Whatever the case, a politically reassertive military is likely to push voters toward the democratic opposition and ethnic parties.

Fourth, the rapid social and political changes the transition brought about have given rise to serious tensions in society, which were largely suppressed during the long military years. The most intense and intractable of these tensions has been between the Rakhine Buddhist population and Rohingya Muslim communities in the country's Rakhine State along the border with Bangladesh. The violence against Muslims has spread also to the urban areas in some of the ethnic Burman regions in the center of the country, often ignited by radical monks spreading anti-Muslim vitriol through social media. This anti-Muslim sentiment has begun to affect the elections in several ways. Members of parliament have introduced proposals to severely limit the right of Muslims to vote. Monks have come out against a constitutional amendment allowing Aung San Suu Kyi to be eligible for the presidency and recommended voting for the government party in the election. Legislation is pending in the parliament to restrict interfaith marriage and limit the size of Muslim families. These themes are likely to permeate election campaigns in parts of the country, which, combined with ongoing ethnic tensions, could lead to electoral violence.

Finally, the economic reforms have yet to improve the standard of living for the vast majority of the country's population. While they have stimulated a rush of foreign investment, the large flows of money into the country have encouraged serious inflation in land prices, which in turn has rippled through the entire economy, further impoverishing the poor. The wealthy have been the main beneficiaries of the economic growth, expanding the gulf between rich and poor.

On the plus side, the 2015 elections promise to be more democratic in many respects than those of 2010. First and foremost, the opposition party of greatest consequence—Aung San Suu Kyi's NLD—will be running for parliament nationwide. Because it did not compete in the 2010 elections, the opposition footprint was miniscule. Second, the ethnic minority parties will be fielding more serious candidates than they did in 2010. Third, because the parlia-

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ment has turned out to be a stronger locus of political activity than expected, this election will draw more experienced candidates, who chose to sit out the 2010 elections. This could be particularly evident in the quality of the USDP candidates. Finally, preparations for the elections—compiling of voter lists, political party training, training for election monitors and observers, and the presence of international observers—point to more transparent and orderly elections than those of 2010.

Thus the 2015 elections pose a clear test for Myanmar's transition. Can the elections be conducted fairly enough to ensure public confidence in the outcome? Will the peace process allow the full participation of ethnic minorities in the elections? Will election campaigning exacerbate communal tensions and encourage violence? Will the military leadership feel threatened by the election gains of the democratic opposition? Will the new parliament be able to negotiate a consensus among key leaders for the new government in 2016? Is the country's new body politic mature enough to weather this challenge and reach a degree of national reconciliation that allows stable governance and continuing democratic development?

## What Lessons Can We Learn?

Political transitions are by nature *sui generis*, being a function of the unique characteristics of a given country and population. This does not mean, however, that one cannot find parallels in particular aspects of various transitions, which could inspire replication elsewhere. The study of comparative political transition has already spawned a large body of academic work. This report seeks to add to this body of knowledge, with the hope that the transition currently under way in Myanmar can provide some useful lessons in how to launch and execute the difficult journey from dictatorship to democratic governance.

The pattern of transition in Myanmar has been marked by a number of key elements, chief among which have been a strong and persistent democratic opposition with an iconic leader; twenty years of detailed planning by military leadership to establish its version of "discipline-flourishing democracy," designed to incorporate political opposition in one form or another while ensuring continuity for the military; willingness to tolerate competing centers of power in the new government; and a fortuitous combination of personal dynamics to provide an opening for reform and a serious break with the past. Here, in brief, are what I consider to be the most important factors guiding the transition.

**Original intent.** Ne Win set the course in 1988 when he ordered his successors to return the country to some form of multiparty parliamentary government, albeit with a firm military hand to guide it, as a successor to his Burma Socialist Programme parliament. The government that replaced the BSPP by military coup in 1988 set out almost immediately to follow his order.

**Strong democratic opposition.** The 1988 rebellion and the 1990 elections gave rise to a strong democracy movement spearheaded by a single organized party with a charismatic leader. Despite intense repression by the government, the party kept itself alive and organized and successfully set the agenda for a democratic transition.

**External pressure.** The brutal military repression of the 1988 rebellion and subsequent elections in 1990 focused international attention and support on the country's democracy movement. As the military government repressed the democracy movement with ever more determination, the international community, spearheaded by Western governments and the United Nations, became equally determined to punish and isolate the military regime. As time passed, ASEAN neighbors began to join the chorus, urging a transition to civilian governance. International sanctions, particularly those governing the international financial institutions, hindered the country's economic development.

**Careful planning.** After the failed election of 1990, in which the democratic opposition trounced the government party, the SLORC/SPDC regime spent twenty years doggedly building the foundation for holding multiparty elections while maintaining military control of the country, keeping the democratic opposition in check through harsh repression, subduing nonstate ethnic armies with cease-fire agreements and military measures, and developing a strong crony entrepreneurial class to prevent foreign control of the economy in anticipation of inviting substantial foreign direct investment.

**Constitutional guarantees for military prerogatives.** The careful planning outlined above included development of a constitutional legal structure that ensured that the new elected leadership would share the strong military culture that had held the country together, embedded the military in the political system, and protected the former military leaders against recrimination for past actions. This instilled confidence in the top military leadership that the transition could be executed without destabilizing the country or threatening their fundamental interests. The constitution provided for a staged, seamless transfer of power from the old government to the new government, with the institutions and policies of the old government remaining in place until the new government could gradually replace them, and with key members of the old government assuming top positions in the new government.

**Competing centers of authority.** The new constitution effectively replaced one-man authoritarian rule with a set of competing centers of power and authority—in the president, the parliamentary leadership, the military, and ultimately the democratic opposition—making it difficult, if not impossible, to revert to strongman rule without annulling the constitution. This led almost immediately to a more open and competitive political environment.

**Retirement of previous leadership.** Senior General Than Shwe's decision to retire and leave the new leaders responsible for executing the transition was the first surprise element. When Ne Win stepped down, he continued actively to lead from behind the curtain, at least for a few years. Than Shwe was expected to do the same, so it was surprising when he retreated to relative invisibility after putting the new government in place.

**Closet liberals.** The other element of surprise was the emergence of a strong group of liberals from within the previous SPDC leadership, once the senior general had stepped back. It was probably by chance that the people elected to the top positions in the new government, especially the president and speaker of the lower house, turned out to be determined reformers who recognized how far behind the country had fallen under the final years of military rule and knew that this sentiment was shared widely enough among their former colleagues to ensure their support for serious reform.

**Participation of democratic opposition.** The bold decision of President Thein Sein to invite NLD leader Aung San Suu Kyi to play a key role in the new government and her equally bold decision to submit to an inherently undemocratic constitution—which she did not accept—strengthened the hand of reformers tremendously. It undoubtedly contributed significantly to public confidence in the new government.

**Peace process with ethnic minorities.** The new government decided to tackle differences with the armed ethnic groups in earnest and succeeded in significantly lowering the level of internal warfare. Although a durable political settlement is far from agreed on, the difficult issues of equality, rights, and shared resources are finally being joined for the first time.

**Return of exiles.** In his inaugural address, the president invited all exiles to return to help build the country and institute the reforms. He followed through by removing immigration barriers to their return, creating a safe environment for them, and incorporating many of those who led the pro-democracy uprising of 1988 in the current reform and peace processes. As political prisoners were released, they were also allowed to become politically active and advance the reforms.

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**Rapid rise of civil society.** The government's failure to respond to the devastation of Cyclone Nargis in 2008 gave the initial impetus to civil society, but as soon as the new government began relaxing restrictions on political and social activity, civil society began to organize in earnest. It is now a robust element of the transition, interacting with government institutions, often playing a mediating role in the absence of a reliable judicial system, and representing grassroots interests.

**Public access to information.** The private press has become equally robust, taking advantage of its release from censorship, pressing the government for full press freedoms, and providing a dramatic explosion of information on political, social, and economic subjects that was previously either unavailable or controlled by government censors. The press is now allowed, within certain bounds, to critically analyze the government's performance.

**Institutionalization and sustainability.** The reformers are aware that the success of the program depends on implementing and institutionalizing a new system effectively, and are frustrated with the widespread inertia in the government at all levels. The president's attempts to fight corruption and introduce administrative reforms throughout the government have met with resistance from civil servants unaccustomed to taking initiative or individual responsibility. It could take a generation or more to get beyond this. In the meantime, the country's new democratic advances and institutions will remain extremely fragile and could easily succumb to inertia or misuse in the hands of corrupt populist leadership, as we have seen in a number of developing country political transitions.

Despite the formidable problems that lie ahead for Myanmar's transition, it remains one of the most promising in recent years and is certainly worthy of strong support and assistance from the international community. It is especially encouraging that the new government has welcomed and responded positively to international advice and assistance, despite residual isolationist tendencies in certain parts of the population. As such, it may already offer valuable lessons for other countries attempting to transition from authoritarian to democratic government.

## Notes

1. In 1997, the SLORC was renamed the State Peace and Development Council.
2. Two authoritative works on the dynamics of Myanmar's transition are Kyaw Yin Hlaing, "Understanding Recent Political Changes in Myanmar," *Contemporary Southeast Asia* 34, no. 2 (2012), 197–216, and Mary Callahan, "The Generals Loosen Their Grip," *Journal of Democracy* 23, no. 4 (October 2012), 120–31. This account draws heavily on those two sources, along with the author's own interviews in Myanmar.
3. Although General Ne Win abolished the military Revolutionary Council in 1974 to install his Burma Socialist Programme Party with a one-party parliament, this was no more than a thin disguise for continued harsh military rule. Most senior officials in the BSPP government were military or ex-military, and Ne Win himself remained at the top.
4. Some say the name of this group was meant to suggest a way out of the country's syndrome of military governance. Egress also became the initial vehicle for facilitating the return of selected exiles on advisory visits.
5. Among other things, the NLD would have been required to expel all its members, including Aung San Suu Kyi, who were currently serving court-ordered imprisonment or detention.
6. Hlaing, "Understanding Recent Political Changes," 204.
7. Callahan, "Generals," 123.
8. The cease-fire groups, a collection of nonstate ethnic armies, were so named because they had concluded cease-fire agreements with the previous regime.
9. This pattern of operation in the parliament may have been a passing phenomenon unique to the early years of the new government, when party politics and identity had not fully developed and leadership authorities were relatively fluid and unsettled.



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- *Managing Conflict in a World Adrift* edited by Chester A. Crocker, Fen Osler Hampson, and Pamela Aall (USIP Press, 2015)
- *Burma's Long Road to Democracy* by Priscilla Clapp (Special Report, November 2007)