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Myanmar's Rocky Road to Democracy

by Zoltan Barany

ABSTRACT

A year-and-a-half after taking office, Myanmar's government of Aung San Suu Kyi and her National League for Democracy have compiled a poor record. To be sure their room for manoeuvre has been constrained by the 2008 constitution, written by the previous military regime. The main source of disappointment, however, is the poor decisions over issues that are under the NLD's control. Suu Kyi's government has had no discernible strategy or clear policies of dealing with the country's multiple ills. The most consequential mistake she has made was to expend much time and political capital on an issue – the ethnic peace process – that is both enormously complex and out of her control. Even more disappointingly for champions of human rights, she and her government have failed to speak out on behalf, let alone stop the institutionalized persecution, of the Rohingya community.

Myanmar's domestic policy | Political parties | Myanmar's foreign policy

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Introduction

In November 2015 the National League for Democracy (NLD) won Myanmar's parliamentary elections by a landslide.¹ This rousing triumph for democracy ended more than five decades of perhaps the most destructive military rule in modern history. The NLD won a large enough majority – over 80 percent of the seats contested – to form a government on its own and thus the chance to begin the processes of economic recovery, democratic transition, and ethno-religious reconciliation. Much hope has been placed in the party's founding leader, the 1991 Nobel Peace Prize laureate Aung San Suu Kyi, without whom victory at the polls quite probably would not have been achieved.

Although the NLD was Myanmar's main opposition group since 1988, it formulated no electoral programme beyond promises of democracy, rule of law, and economic reform. To be sure, it did not need detailed policy proposals for winning the elections: its stance against the army and its client party, the Union Solidarity and Development Party (USDP), and the overwhelming popularity of its iconic leader were sufficient. Disappointingly, after a year-and-a-half of being at the helm, major questions remain about NLD government's economic policies, position on ethnic and religious issues, and on how it plans to encourage the military's withdrawal from politics. In Myanmar's highly volatile political environment, getting the transition right assumes paramount importance. But it has been anything but easy. The government must strike a delicate balance: move forward on an extensive reform agenda and re-write, or at least make key amendments to, the undemocratic 2008 Constitution that requires the agreement of the powerful military, the *Tatmadaw*. At the same time, it must not antagonize the generals who stand to lose the most from democratization.

¹ Zoltan Barany, "Moving toward Democracy: The 2015 Parliamentary Elections in Myanmar", in *Electoral Studies*, No. 42 (June 2016), p. 75-75.

* Zoltan Barany is the Frank C. Erwin, Jr. Centennial Professor of Government at the University of Texas.

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1. The Lady and her government

The Lady, as Suu Kyi is usually referred to in Myanmar, is the NLD's far and away most influential and charismatic personality. Following the elections she was unable to persuade the top brass to amend the constitution that prohibits those whose family members hold foreign passports to hold the presidency. In March 2016 the legislature elected a Suu Kyi confidante, Htin Kyaw, as president. His has been an entirely ceremonial office. The Lady created the position of "state counsellor" for herself, roughly equivalent to that of prime minister. She also heads the ministries of foreign affairs and of the president's office, and retains the NLD's presidency.

Suu Kyi's qualities as a political leader have long been called into question. As NLD president, she disregarded party statutes and personally chose all members of the party's central executive committee. During the electoral campaign she refused to cooperate with respected civil-society groups and left out Muslims from the NLD's over one thousand candidates in order to deflect criticism from Buddhist nationalists.² Her authoritarian inclinations have become more apparent in her position as *de facto* head of government. Most consequential decisions require her approval leading to bottlenecks at top governmental levels. By acting as her own spokesperson, she impedes the effective communication of her administration's policies. She is a micro-manager, finds it difficult to delegate tasks, and prefers limited transparency. Suu Kyi has instructed NLD members of parliament (MPs) not to ask tough questions and to avoid speaking to journalists stifling the vitality of parliamentary interactions. She and her top lieutenants in the party have insisted on what approaches Leninist party discipline.³ "Loyalty" to her means "unquestioned obedience".⁴

The Lady's preference for personal loyalty over competence was illustrated by her choice of cabinet members; the qualifications of several raised eyebrows. For instance, Kyaw Win, the minister of planning and finance, admitted under pressure that his master's and doctoral degrees from "Brooklyn Park University" – a website run by a Pakistani company printing diplomas – were fake. He remains in his position along with other cabinet members, most of them well-passed retirement age, despite doubts about their professional credentials and expertise. The constitution gives the army's commander-in-chief the authority to appoint three ministers: Defence, Border Affairs, and Home Affairs. The last of these is a particularly powerful post because it oversees the General Administration

² Zoltan Barany, "Myanmar's Divided Opposition", in *Foreign Affairs Snapshots*, 1 October 2015, <https://www.foreignaffairs.com/articles/burma-myanmar/2015-10-01/myanmars-divided-opposition>.

³ See for instance, Jay Supetran, "It Is Time for a New Approach for the NLD", in *Myanmar Insider*, May 2017, <http://www.myanmarinsider.com/?p=5672>.

⁴ Interviews with numerous NLD leaders and members of parliament in Yangon, May 2016 and August 2017.

Department, the country's administrative heart that is responsible for staffing every regional and state-level government and managing thousands of districts and townships. Although Suu Kyi has been extremely critical of the constitution, she has used its anti-democratic provisions when they suited her purposes. For instance, she appointed two NLD members as chief ministers in the ethnically sensitive states of Rakhine and Shan, even though candidates from local ethnic parties had won the popular vote in state election.

That being said, the complex political situation in which she operates requires a leader with a strong hand and a clear sense of purpose. The Lady remains popular among ordinary Burmese who admire her tenacity, respect her authority, and recognize that she is the one indispensable leader in contemporary Myanmar. The fact that she is the daughter of General Aung San, the universally revered founder of modern Burma, adds another dimension to her unique stature and prominence in the country.

2. Slow progress and persisting lack of clarity on economic reform

Decades of military control of the economy has turned Myanmar into a desperately poor country. In 2016 its per capita GDP was about 1,300 US dollars, less than one fifth of neighbouring Thailand's. Reforming the economy is arguably the NLD government's most critical task. Surprisingly, it waited until late July 2016 to present its first major economic policy statement. The document turned out to be more of a general outline that identified neither policy instruments nor specific objectives to achieve within a given time frame. Some critics called it little more than a wish list. Its twelve points related to different policy areas touching on virtually all sectors of the economy.

Thus far, the new administration's main achievement has been the partial modernization of the legal framework that governs business affairs. In January 2016 the legislature passed an arbitration law purported to build a safe environment for investors. The Myanmar investment law, enacted by parliament in October 2016, was touted by the government as a considerable accomplishment. In fact, it mainly simplifies and harmonizes existing regulations (namely the laws governing foreign and domestic investors, passed by the previous regime) and specifies investors' privileges. The condominium law – that allows foreigners to purchase up to 40 percent of apartments in any given bloc provided they are on the sixth floor or above – has also reached parliament, although many of its final details have yet to be sorted out. Meanwhile, the company law that is intended to settle the legal status of enterprises is still a long way from promulgation. The government admits that even in the area of legal reform the hard part is still ahead; in many other areas of economic life little has been done.

Implementation of the new laws will be crucial and should not be automatically assumed to go smoothly. Corruption in Myanmar is pervasive, only 39 countries (out of 176) in Transparency International's 2016 Corruption Perception Index scored worse.⁵ Tackling corruption, however, is a most sensitive task. Untangling the many obscure strands of personal and institutional relationships – most involving the military and its cronies – and getting to the bottom of the numerous large-scale activities, from drug trafficking to the large-scale siphoning off of natural resources, will require determination, perseverance, and tact from the new regime. Getting the generals to give up even a portion of their business interests will be difficult and would unlikely to succeed without offering some concessions. The government has yet to announce what, if anything, it intends to do about reducing the *Tatmadaw's* economic involvement. One obvious possibility would be to guarantee military officials immunity from future prosecution, though to get to that point, the Lady and her administration must consolidate their political position.

The government's policy outline devoted special attention to agriculture that yields over 37 percent of Myanmar's GDP and employs, directly or indirectly, about 70 percent of its labour force. Farmers tend to be desperately poor: in 2012 the average annual income of agricultural workers was 194 dollars in Myanmar in contrast to 507 in Bangladesh and 706 in Thailand. The government must find a way to provide farmers with what they most need to increase their earnings: high quality seeds and fertilizers, improved water control and irrigation facilities, and access to affordable credit. A relatively small amount of investment – perhaps with the involvement of international aid agencies – could make a major difference in the prospects of farming communities. The issue of land rights is going to be even trickier to address. For several decades the military and its cronies expropriated hundreds of thousands of acres from helpless peasants offering little or no compensation. The return of confiscated land to rightful owners and the enforcement of land ownership and land-use laws are crucial pre-requisites of further agricultural reforms.

The military regime grossly neglected the country's infrastructure. Road and railway networks and the public transportation system are all vastly inadequate and in pitiful state of repair. Just as serious is the shortage of electricity: only one-third of the population has access to it and shortages are frequent, even in Yangon's posh hotels catering to foreigners. Economic growth has put even more pressure on the electricity supply and shortages are likely to get worse. The insufficiency of infrastructure affects every economic sector and scares off potential investors. For all these reasons, infrastructural development has to be one of the government's top priorities. Given the capital-intensive nature of such projects and the modest capacity of Myanmar's construction industry, foreign companies are likely to build them. The government must ensure the fairness of competition for the tenders will

⁵ See Transparency International, *Corruption Perception Index 2016*, January 2017, <http://www.transparency.org/cpi2016>.

be fair and that whenever possible, locals will be employed.

Although GDP growth has been brisk, it topped in 2013 at 8.4 percent and since then has been decreasing (registering an average of 6.3 percent) likely owing to diminishing investment, reflecting the sustained doubts about Myanmar's economic reform process.⁶ Inflation has been nearing double digits, commodity prices have increased, and the job market's expansion has been anaemic. Millions of Burmese are forced to find employment abroad, mostly in so-called "3D" (dirty, dangerous, and demeaning) jobs. The NLD's economic statement called for the creation of two million jobs in the next five years, an objective that underscores the need for a favourable investment climate. The new laws have alleviated some of the ambiguities but many murky regulations remain that must be abolished or rationalized. The ownership of land, forests, mines, etc. must be determined before prudent investors will enter those sectors. Financial, tax, and employment incentives for domestic and foreign investors need to be sorted out.

At the same time, the government must preserve macroeconomic stability. The banking system needs to be fortified, the practice of the central bank financing fiscal deficits phased out, and the tax system streamlined. In particular, the opaque web of tax exemptions must be clarified and the new tax administration procedure law should be completed. One sector of the economy that has been talked about but little is tourism. Myanmar is an improbably picturesque country with a diverse landscape – the country's underutilized, low-cost, and mostly low-skill labour force is ideally positioned to fill jobs in the tourism industry. Like other industries though, the expansion of tourism requires better infrastructure, clear regulations, and a stable political environment.

To critics' charges of slow progress the government has responded that its objective has been to formulate and implement high quality reforms and laws rather to do things quickly. In order to effect substantive improvement in Myanmar's economy and the living standards of its citizens in the remaining two-and-a-half years of their term, the Lady and her administration must consistently prioritize economic development, secure the support of international aid organizations, and ensure the cooperation of the *Tatmadaw* leadership. It is hard to escape the conclusion – shared with this author by two dozen economists, members of parliament, and civil society activists, all committed NLD supporters – that in 18 months of governance much more should have been done.⁷

⁶ Trading Economics, *Myanmar's GDP Annual Growth Rate 1994-2017*, <https://tradingeconomics.com/myanmar/gdp-growth-annual>.

⁷ Off-the-record interviews in Yangon, 23-31 August 2017.

3. Relations with the army

Developing working relations with the military and its commander-in-chief, Senior General Min Aung Hlaing, the country's most powerful person, was rightly one of Suu Kyi's key priorities. It is easy to forget that prior to the 2015 elections many pundits wondered whether the generals would honour election results or reject them as they did a quarter century earlier. Outgoing President Thein Sein and Min Aung Hlaing insisted that the results would stand, the army would not intervene, and the transition would proceed smoothly. They kept their word and, as a result, have gained some credibility in the eyes of the public and the international community. Still, in contemporary Myanmar the military remains the strongest *political* institution. The constitutional requirement that at least 75 percent plus 1 of parliamentarians approve major amendments, together with the 25 percent reserved seats for *Tatmadaw* appointees, erects a veritable constitutional bunker for the military. Indirectly, the armed forces also remain enormously influential in the day-to-day running of Myanmar given that for decades the military's approval was needed to obtain a public administration job from national ministries to village councils. Former military personnel fill at least 80 percent of the country's administrative jobs. The army may be expected to maintain control over administration in the foreseeable future.⁸

Following the initial post-election discord centring on the presidency, the Lady's relationship with the top brass improved. It must be remembered that civilians have no control over the armed forces in Myanmar and the government must tread carefully lest it should antagonize the generals. The issue of reducing defence expenditures has yet to be raised by the government. In fact, the country's latest (2017/2018) budget allocated 13 percent to defence; by contrast the ministries responsible for healthcare and education – two sectors that were virtually destroyed under five decades of military rule – received a combined total of 13 percent.⁹ (For countries at such low level of development as Myanmar, UNESCO recommends that 20 percent of the budget should be spent on education.)

The central medium- and long-term political question in contemporary Myanmar is: when will the generals acquiesce to constitutional reform – that is, to surrender their privileged political position enshrined in the 2008 constitution?¹⁰ The government's leverage vis-à-vis the military is very limited. In the meantime, senior military officials insist that Myanmar "needs" the army's political role, that the military would not even consider giving up power until there is full ethnic

⁸ See, for instance, Mratt Kyaw Thu, "Military Strengthens Grip on Civil Service", in *Frontier*, 2 May 2016, <https://frontiermyanmar.net/en/node/1753>; and Derek Mitchell, "Myanmar's Government – Time for Course Correction?", in *Nikkei Asian Review*, 21 March 2017, <http://s.nikkei.com/2uLnVHD>.

⁹ Economist Intelligence Unit, *Myanmar: 2017/18 Budget: A Missed Opportunity*, 24 March 2017, <https://t.co/pbiH7rMIHk>.

¹⁰ For different views, see Sithu Aung Myint, "Is the NLD Government Acquiescing to the Tatmadaw?", in *Frontier*, 6 August 2017, <https://frontiermyanmar.net/en/node/5326>; and Bertil Lintner, "When Will Suu Kyi Challenge the Military?", in *Asia Times*, 21 June 2017, <http://ati.ms/urKzuZ>.

peace, and that it is the generals who will decide when to give up power, "for the sake of the country".¹¹ Min Aung Hlaing has said that the *Tatmadaw* intended to move in the direction of diminished or even zero military presence in parliament but has refused to set a timetable.

Burmese military elites have at least two major concerns related to their withdrawal from politics. First, they want to transform the army into a professional force – recently they refer to the resulting military as a "standard army"¹² – comparable to its Southeast Asian counterparts. At present, the *Tatmadaw's* obsolete equipment, archaic training methods, and poor morale make that a distant prospect unless, the generals believe, it can attract Western weapons and professional education, and expand relations with Western military networks. Burmese generals understand that leaving politics is a precondition of Western willingness to assist in the *Tatmadaw's* transformation. Second, Min Aung Hlaing and other top military officials have repeatedly stated that the realization of ethnic peace was a key condition of the army's diminished political role. Given the complexity of that issue – and the fact that throughout its seven-decade history as an independent country Myanmar has never known full ethnic peace – if that stipulation is to be taken literally, anticipating the military's departure from politics before 2025 is overly optimistic. Indeed, one might well speculate that tying its political exit to the resolution of ethnic conflicts in which it is one of the key stakeholders, the *Tatmadaw* makes no commitment at all.

4. Pursuing ethnic and religious peace

Burmese society is an intricate mosaic of some 135 officially recognized ethnic groups of different religions. The overwhelmingly Buddhist Bamar comprise approximately two-thirds of its 55 million population. Several ethnic communities – among them the Chin, Kachin, Karen, Shan, and Wa – have been at war with the government for long periods, some continuously since independence was proclaimed in 1948. Ethnic groups also have age-old disagreements and overlapping land claims between them, some have majority status in certain territories but are minorities in others, and individual ethnic communities are often divided by sectarian differences, between Buddhists, Christians (primarily Baptists and Catholics), and Muslims. Aside from causing thousands of deaths and displacing millions, conflicts have prevented the consolidation of central authority over the country and the formation of a shared national identity.

¹¹ Htet Naing Zaw, "Impossible to Remove Tatmadaw from Politics", in *The Irrawaddy*, 14 August 2017, <https://www.irrawaddy.com/news/burma/impossible-remove-tatmadaw-politics-army-colonel.html>. For a more exhaustive discussion of this issue, see Renaud Egretau, *Caretaking Democratization. The Military and Political Change in Myanmar*, Oxford, Oxford University Press, 2016.

¹² "Commander-in-Chief Stresses Efforts for the Establishment of Standard Army", in *Global New Light of Myanmar*, 2 July 2015, <http://www.globalnewlightofmyanmar.com/?p=13465>.

For long, the military has had a stake in the continuation of hostilities both because the resulting instability helped justify its prolonged rule and owing to the generals' involvement in the illegal extraction and export of natural resources – gems, gold, timber – and drugs from conflict-ridden areas. In recent years the *Tatmadaw* has appeared more determined to end the civil war. In October 2015 eight ethnic armed organizations (EAOs) signed the National Ceasefire Agreement (NCA), although some of the largest and most influential groups, such as the Kachin Independence Organization and the United Wa State Army, have refused to surrender their weapons and stayed away.

Already during the electoral campaign Suu Kyi declared ending the civil war and the creation of a federal system as her number one priority. She established a new centre to be responsible for the peace talks and subordinated it to the Ministry for State Counsellor's Office. In August 2016 the government convened a four-day Union Peace Conference that, for the first time since independence, brought together factions representing all sides – ethnic armed organizations, the government, parliament, political parties, and the military – to discuss ethnic relations. Although the NLD strove to make the meeting all-inclusive, three major EAOs that refused to renounce armed resistance did not attend. In May 2017 a second peace conference took place in Nay Pyi Taw, Myanmar's purpose-built surreal political capital. Chinese mediators arranged to bring seven additional EAOs theretofore reluctant to sign the NCA, but they merely observed the proceedings and were not allowed to participate. In any event, when the discussion turned to critical issues – the giving up of arms, secession, a truly federal army that would integrate some portions of the ethnic fighters – it predictably broke down.

In short, these conferences – aside from grandiose statements and promises – have resulted in no tangible breakthroughs and have failed to give the jolt the peace process needed.¹³ Since then no new groups have signed on, fighting has escalated in Kachin and Shan states – and even spilled into heretofore unaffected towns – and has driven thousands of people into neighbouring China. Optimists believe that the main objective of ethnic armies is to maximize their gains on the ground in preparation for the eventual peace negotiations. Nevertheless, the ultimate goal of Myanmar's ethnic minorities is the federal system General Aung San promised them in 1947 when he united the modern state of Burma. Although *Tatmadaw* has adopted an increasingly pragmatic approach toward the ethnic peace process, the generals have traditionally viewed federalism as the first step toward the country's disintegration. Although the word "federalism" is no longer the taboo in Myanmar's public discourse as it had been for decades, the top brass are unlikely to relax their long-standing opposition to it.

¹³ Nyan Hlaing Lynn and Oliver Slow, "Mixed Results at Latest Panglong Peace Conference", in *Frontier*, 30 May 2017, <https://frontiermyanmar.net/en/node/4925>; and Pyae Thet Phyo and Lun Min Mang, "Secession, Self-Determination Haunt Second Round of Panglong Conference", in *Myanmar Times*, 29 May 2017, <https://www.mmmtimes.com/node/67912>.

Another ethno-religious challenge that weighs heavily on the government is the plight of the approximately one million Muslim Rohingya in Rakhine State, on Myanmar's western coast, who enjoy no civil rights and have suffered multi-faceted discrimination and persecution for decades.¹⁴ Much to the consternation of international human rights organizations, the Lady largely avoided the issue during her electoral campaign, well aware that prejudices against the Rohingya were so deep-seated among the majority Buddhist population that advocating on their behalf would have significantly diminished the voters' support for her. Since becoming the country's leader, she has taken only minor steps to alleviate communal conflicts and promote economic development in Rakhine. In August 2016 she established a national commission, headed by former UN Secretary General Kofi Annan, to address the long-standing human rights issues pertaining to the Rohingya and other marginalized ethnic minorities. Annan presented the commission's report to the government in August 2017 but most observers are deeply sceptical about the implementation of its recommendations.¹⁵

The already tense situation in Rakhine quickly deteriorated last October, however, when Rohingya insurgents killed nine border guard police officers. The *Tatmadaw's* response was fast and heavy-handed: its retaliatory campaign was marked by the burning down of entire villages, extrajudicial killings, and rapes. More than 70,000 Muslims fled to neighbouring Bangladesh. International human rights organizations have criticized Suu Kyi and her government for mishandling the situation, especially by discrediting media reports of the atrocities committed by the *Tatmadaw* and prohibiting journalists from entering the region. Still, it must be underscored again that the government has no control over military units and has no means of reining them in.

The perpetrators of the attack on the border guard were members of the Harakah al-Yaqin (Arabic for "Faith Movement"), a militia financed by Rohingya émigrés in Saudi Arabia along with donors from across Southeast Asia and the Middle East.¹⁶ The group enjoys widespread support and has attracted hundreds of recruits from among Myanmar's Muslim population. Many hoped that the increased international attention to the Rohingyas' miserable conditions and the threat of Islamic extremism would motivate the government to find a long-term resolution to the conflict. That has yet to happen.

In fact, the situation in Rakhine has turned from bad to worse. In late August 2017, following the attack of Rohingya fighters on some thirty rural police stations, the army again used the iron fist. More than a hundred people – mostly Muslims –

¹⁴ An important recent book on this issue is Azeem Ibrahim, *The Rohingyas. Inside Myanmar's Hidden Genocide*, London, Hurst, 2016.

¹⁵ See Advisory Commission on Rakhine State, *Towards a Peaceful, Fair, and Prosperous Future for the People of Rakhine*, August 2017, <http://www.rakhinecommission.org/?p=1083>.

¹⁶ International Crisis Group (ICG), "Myanmar: A New Muslim Insurgency in Rakhine State", in *ICG Asia Reports*, No. 283 (15 December 2016), <https://www.crisisgroup.org/node/5016>.

were killed and thousands of new refugees joined their brethren. Their number now reportedly exceeds 320,000, most of whom live in pitiful refugee camps in Rakhine and Bangladesh.¹⁷ There is little doubt that if the institutionalized state persecution of the Muslim minority continues, Suu Kyi and her administration will pay a heavy price both in terms of its international reputation and domestic stability. Her defenders claim that speaking out in defence of the Muslim minority would be suicidal for her political party. But some of her former comrades in the fight against autocracy are increasingly voicing their disapproval of her minority policies.¹⁸ Her government has not only remained largely silent on the issue but actually has prevented UN fact-finding missions and journalists from entering the area, ensuring that the reports coming out are controlled by the armed forces' propaganda machine.

5. Between China and the United States

For decades China was the main sponsor of Myanmar's military junta and the country's top trading partner and biggest investor. Suu Kyi's first major trip abroad as government leader in August 2016 took her to Beijing. Her discussions centred on business and trade issues, in particular large infrastructural projects and alternative ways to restart work on the 3.6 billion dollars Myitsone Dam project, cancelled by Thein Sein in 2011. Chinese leaders promised to support the ethnic peace process and the participation of the thus far recalcitrant ethnic armed organizations in it. Although for many years Beijing has been implicated in the conflict – it has provided shelter, weapons, and training to some of the belligerent groups – it is now said to be interested in peace because violence impedes economic development and cross-border commerce. The Chinese are also keen to be seen in a peace-making role in a region where they have long been regarded as a cause and a beneficiary of on-going hostilities.

The unfolding democratization process in Myanmar was a major foreign policy success of the Obama Administration. The United States was a steadfast supporter of Suu Kyi for years before she took office and both President Barack Obama and Secretary of State Hillary Clinton made historic visits to the country. During the Lady's visit to Washington in September 2016, Obama removed all remaining sanctions the US had put in place following the 1988 uprising (only those against drug kingpins and the embargo on arms remained in place). Democracy activists in Myanmar and elsewhere heavily criticized this step as they had hoped that sanctions that targeted businesses linked to the generals and their cronies would stay in place until the anti-democratic features of the 2008 constitution were

¹⁷ Nyan Lynn Aung, "Over 4,000 Ethnic Rakhine Flee Fighting", in *Myanmar Times*, 29 August 2017, <https://www.mmmtimes.com/node/101538>.

¹⁸ Denis D. Gray, "Former Loyalists Lose Faith in Myanmar's Democracy Icon", in *Associated Press* (Yangon), 28 August 2017, http://hosted.ap.org/dynamic/stories/A/AS_MYANMAR_THE_LADY_UNDER_FIRE.

abolished.

It is Myanmar's great misfortune that the 2016 presidential elections yielded an individual with no demonstrated interest let alone expertise in foreign policy instead of the candidate with a proven knowledge of and desire to propel the country's democratization process forward. The Trump Administration has done little to build on the relationship nurtured by its predecessor. The US ambassador, Scot Marciel, a genuine expert on Southeast Asia, has a much-reduced profile in Yangon since American foreign policy was taken over by Secretary of State Rex Tillerson in last January. In stark contrast to China's all-out economic engagement, American businesses have largely stayed away, few US companies have invested substantial amount of money aside from Coca Cola. They are scared away by the high price of land, the still-difficult regulatory environment, and the lacking or poor-quality infrastructure.¹⁹ In the defence realm, some American lawmakers have been urging more engagement with the *Tatmadaw* but they are opposed by some colleagues – whose constituencies are home to Burmese-American communities – who doubt the benefits of that policy.²⁰ They (and others) point out that enhanced US military-to-military relations have failed to make a noticeable impact on the political behaviour of Middle Eastern and Southeast Asian (e.g., Thai and Indonesian armed forces).

Conclusion

In March 2016 Suu Kyi and her NLD government – most of them political novices – inherited a precarious political and socioeconomic environment saddled by the legacy of a half-a-century of brutal and incompetent military dictatorship. Expectations rose that the new government could make an appreciable difference in the lives of millions of impoverished citizens and achieve clear progress in a 70-year old ethnic conflict. However, such expectations failed to consider the severe limitations on Suu Kyi's scope of action, given that the army remains the country's most powerful *political* institution.

The structural constraints greatly limited the NLD government's room for manoeuvre. Many of the critically important tasks needed to transition and to consolidate democracy are extremely hard – some fear impossible – to achieve. Thus, the NLD leadership cannot be entirely blamed for failing to amend the constitution, rein in the military's institutionalized political role, or achieve ethnic peace. Without cooperation from *Tatmadaw*, the NLD can do little.

¹⁹ Jane Perlez, "China Showers Myanmar with Attention, as Trump Looks Elsewhere", in *The New York Times*, 19 July 2017, <https://nyti.ms/2vDipXs>.

²⁰ Zoltan Barany, "Armed Forces and Democratization in Myanmar. Why the US Military Should Engage the Tatmadaw", in *Burke Chair Reports*, 13 September 2016, <https://www.csis.org/node/38098>.

Suu Kyi and her government do deserve the blame for the tasks they *could have* and *should have* undertaken but did not, and for the numerous poor unforced decisions they took. Pursuing ethnic peace as the government's priority was a major strategic mistake because achieving that elusive goal was not in the NLD's power. The NLD was not prepared to govern after many years in opposition, its leader filled her cabinet with personally loyal but incompetent (and, in some cases, blatantly dishonest). Eighteen months after taking power, the NLD still seems to be in search of a coherent economic policy and its record as a champion of the disadvantaged is abysmal. Most citizens are disappointed with the performance of a government that could hardly have had more domestic and international backing when it began its term. Although they still overwhelmingly support the NLD – given that there is no real alternative to it – that support is no longer as unconditional as it was two years ago.

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