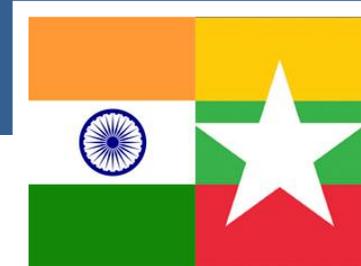


The Role of Myanmar's Military in Democratic Transition and Implications for India



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About The Author



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The Role of Myanmar's Military in Democratic Transition and Implications for India

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Myanmar military's ethos can be traced back to the country's national struggle for freedom with its founding fathers being of socialist persuasion rather than professional soldiers (Burma Independence Army; founded by a group of nationalists known as Thirty Comrades). Due to the association of military leaders with anti-colonial struggle it was viewed favorably by the public. After independence in January 1948 from the British, it became one of the most important institutions of Myanmar. The civil war and insurgencies of late 40s and early 50's were instrumental in the Tatmadaw (Myanmar Armed Forces) emerging as a powerful organisation. It was able to suppress the communist and separatist insurgencies and bring about a modicum of peace and stability in the nation. Like many other militaries in the post colonial era, it perceived itself to be the guardian not only of the nation's external frontiers but also as a bulwark against the internal divisions. Tatmadaw saw itself as the only organized and disciplined institution that was a guarantor of national unity¹.

Therefore, when in October 1958 there was a political crisis, Tatmadaw took over state power and formed a Caretaker Government to restore political stability. However, after holding general elections in February 1960, it transferred power back to the elected civilian government. But again in March 1962, visualising an uncertain political situation Tatmadaw staged a military coup in the name of a

¹ For a detailed treatment of the subject see Maung Maung Myoe. *Building the Tatmadaw- Myanmar Armed Forces Since 1948* ,(New Delhi: KW Publishers, 2009)

Revolutionary Council (RC). Later, in mid-July 1962 Tatmadaw leaders formed the Burma Socialist Programme Party (BSPP) to promote socialist revolution in the country. Evidently, the objective was to hold onto political power and legitimize its role. One of the justifications used by the army was tom-tomming of its role in the independence struggle. The RC handed over power in 1974 to BSPP after promulgation of a new Constitution and general elections.

However, in September 1988, once again Tatmadaw took over the reins of power from the civilian government and formed a State Law and Order Restoration Council (SLORC). After a decade or so it was re-named the State Peace and Development Council (SPDC) (in November 1997).

Tatmadaw never perceived itself to be an apolitical army; for instance Gen Ne win who had taken over power in the coup of 1962 and who ruled for 26 years stated that Tatmadaw was formed with hard core politicians and it was not a mercenary army. In fact, a professional army in the western sense which was divorced of any political ideology was viewed by Myanmar military as a mercenary army which according to Myanmar military leadership had negative connotations. Of course, this was a self serving ethos that was inculcated among the rank and file of Tatmadaw. The military leadership also painted civilian politicians as opportunists who looked after their own interests rather than the national interests. Articulation of such thought processes was no different from military leaderships of some of the countries in Africa and Asia where military rulers had taken over.

In February 1999, after a lapse of five decades, it projected itself as a guardian of Three National Causes- non disintegration of the Union; non-disintegration of national solidarity; and perpetuation of national sovereignty- as its national

interests (later known as national ideology)². Its stated goal was to build a peaceful, modern and prosperous nation. This was to be pursued through 'twelve objectives' that encompassed three areas of political, social and economic development. The political objective was to lay the foundation for a disciplined flourishing democracy; the economic aspects pertained to state control of economy but also referred to the need for market economy with elements of socialism and nationalism while social objectives were to inculcate nationalism and achieve social cohesion.

It was in July 1997 that Gen Than Shwe visualized and explained to senior officers the defence policy and mission of the armed forces that was made public in Feb 1999.

Salient features of the defence policy included building a modern and capable Tatmadaw and auxiliary forces; forming a modern people's defence system for national defence and security involving the entire citizenry and above all to train and develop a strong defence force which possess military, political, economic, and administrative outlook in order to participate in the national political leadership role in the future state. Thus, the military assigned to itself areas of responsibility which are absolutely non-military in nature.

Further, building and expansion of armed forces was not only driven by the multitude of threats both internal and external, but also by its own instinct of self-preservation. As can be seen from the enunciated defence policy, its role span covered political, economic and administrative roles and saw itself as exercising

² See Maung Maung Myoe. *Building the Tatmadaw- Myanmar Armed Forces Since 1948*, (New Delhi: KW Publishers, 2009) p.3. Also see Tin Maung Maung Than, "Burma: The New Professionalism of Tatmadaw" in Muthiah Alagappa ed. *Military Professionalism in Asia: Conceptual and Empirical Perspectives* (Honolulu: East West Center, 2001)

political leadership in a future state. In fact, the military was biting too much in encompassing the economic, administrative and political roles for itself.

The above articulation of the defence policy and the past thought processes and behavior of the military also indicates the regime's strict adherence to its version of nationalism. Not only has it opposed the idea of federalism and diffusion of powers to the provinces that might have given some autonomy to diverse ethnic groups, it has also been very sensitive about matters relating to Myanmar's sovereignty and interference in the internal affairs by outside powers. Like Pakistan Army and some other armies in Asia, Tatmadaw believed strongly that it was the only institution which could keep the nation together and prevent its disintegration along many socio-cultural and ethnic fault lines. Any instability created due to lack of unity would only invite foreign interference and make Myanmar weaker.

Thus in the military's view, assigning itself all the roles and functions of a state was very logical and as such a unified and all empowered entity as itself could best protect the interests of the state. As observed by Andrew Selth, "The unity and integrity of the Tatmadaw, the survival of the military government and the security of the country were thus seen as indivisible"³. The belief that they are the only institution capable of defining and protecting the interests of the state in a perceived hostile environment of multiple threats was the basis of their enduring perceptions.

The Myanmar military leadership was quick to ward off threats to its internal cohesion by taking serious action against any attempts to undermine its unity. It was also successful in preventing inter-service rivalry which is the bane of many

³ Andrew Selth, "Civil Military Relations in Burma; Portents, Predictions and Possibilities", Griffith Asia Institute Regional Outlook Paper No. 25 of 2010, pp 17 available at http://www.griffith.edu.au/data/assets/pdf_file/0016/215341/Selth-Regional-Outlook-25.pdf

advanced militaries also. In any case over the years the ascendancy of the army over other services had been established as most of the military missions in post independent Burma or even prior to that had largely been executed by the Army. Its personnel strength was the largest and received most of the defence budget. The factional struggles between the officers commissioned from the two different academies or for some other reasons have also been managed.

In the Myanmar military's command and control structure that was based on regional commands, the military commander became very powerful as he oversaw almost all aspects of the state functions. The cabinet ministers at the Centre even though military officers could exercise little power. However, with the changed organisation now and with the new politico-military dispensation this kind of arrangement has been reversed.

Another negative aspect of the military ruled Myanmar had been the involvement of the military in economic activities⁴. But then this was the direct result of its stated role as defender of Myanmar's interests in all spheres and perceiving politicians and private entrepreneurs as either incompetent or opportunists indulging in greed and corruption. Foreign influence or domination in the economy amounted to loss of sovereignty according to Tatmadaw. Controlling economy was thus part and parcel of nationalistic ideology. Controlling economy also was also self-serving as Tatmadaw could build strong armed forces without any hindrances. In fact, till the defence budget was presented for the first time in the Parliament in February, 2012 the public had no knowledge on how much and how the monies meant for the defence forces have been spent. As of now Myanmar Economic

⁴ For instance see David I Steinberg, "Burma/Myanmar: The Role of Military in the Economy", available at [http://www.businessandeconomics.mq.edu.au/our_departments/Economics/Econ_docs/bew/2005/2005_Burma - The Role of the Military in the Economy.pdf](http://www.businessandeconomics.mq.edu.au/our_departments/Economics/Econ_docs/bew/2005/2005_Burma_-_The_Role_of_the_Military_in_the_Economy.pdf)

Holding Corporation (MEHC) and Myanmar Economic Corporation (MEC) are the two entities that serve the institutional interests of Tatmadaw.

Current Politico-Military Scenario

After the elections of November 2010 as per the stated Seven Stage Road Map to democracy, the military junta ruling through State Peace and Development handed over power and a new government was formed in March 2011. The two top leaders Gen Than Shwe and Maung Aye went into retirement but it is believed that they still continue to exercise some power. The military supported United Solidarity Party won closer to 60 percent of the seats in both the lower and upper houses. With a quarter of Parliamentary seats reserved for serving military personnel, the space for the opposition was indeed very limited. Largely, this exercise could be seen as maintaining linkages with the past while attempting to gradually transition to a new system that would have trappings of a disciplined or controlled democracy. Evidently, the power sharing arrangements in the new dispensation have been made in a manner that military in some way or the other would continue to exercise a degree of political control.

The National Defence and Security Council (NDSC) is the most important executive organ of Myanmar. Headed by President Thein Sein, it comprises of two Vice Presidents, Lower House Speaker (Shwe Mann), Upper House Speaker, C-in-C (Gen. Min Aung Hlaing, Deputy C-in-C, Minister of Defence (serving Lt. Gen), Minister of Home Affairs (serving Maj. Gen) and Minister for Border Affairs (Maj. Gen.). Given the fact that military appoints one of the Vice Presidents and five members out of a total of eleven are serving officers of Tatmadaw, the clout of the military is still considerable. It can also be said that it is the C-in-C who exercises effective control over the NDSC. In case a state of emergency is declared, then the

C-in-C would exercise very wide executive powers. The Constitution allows for power to be handed over to the C-in-C.

However, the budgetary control of national budget and the defence forces is being exercised by the President and Parliament in contrast to the erstwhile arrangements. In fact for the first time the defence budget was presented in the Parliament in February 2012. The legislative control is with the Lower House Speaker. Thus it can be said that there is a diffusion of power. Further, there is a Cabinet of thirty ministers with social service, education, health and some other ministries being looked after by technocrats while key ministries are with the military.

Added to the above is the decentralization of legislative and executive powers to the regions/states though to a limited degree which also gives a sense of power sharing to the ethnic minorities however restricted it might be in scope. There is some optimism that over a period of time the governance would be more responsive to the local people's requirements.

Overall, therefore, there has been distribution of power between the President, military, the legislature and political parties. The division of power between Tatmadaw and the Constitutional government has created political space that is expected to be enlarged in the coming years. The multiple power centers in effect are expected to act as checks on any one power centre becoming dominant. Though the interests of United Solidarity and Development Party and the military are similar, over the years they might see some divergence with concomitant impact on loosening the grip of Tatmadaw on reins of power further.

Though, some of the naysayers opine that if a certain threshold is crossed by the political parties then the military might stage a comeback.

Reform Agenda on Upward Trajectory

Empirical evidence available since installation of the new dispensation in March 2011 indicates there have been positive changes on political and governance fronts. The dominance of military in civil affairs has been declining albeit very gradually with new power equations emerging that advance the cause of democratic forces and expand the role of civil society.

President Thein Sein's successful efforts in finding a *modus vivendi* with Aung San Suu Kyi, opening up to the U.S. and the West and bowing to the popular pressure in suspending Myitsone hydro power project⁵ contracted to the Chinese besides his acumen in consolidating his political power has enabled him to project the ongoing transition of power in a positive way. Many of the repressive laws of earlier years have altogether been repealed or modified. Some of his actions and reforms had drawn adverse reaction from his conservative colleagues but he has been able to handle them very adroitly. For instance, Vice President Tin Aung Myint Oo, who was known for his reactionary ideas and resistance to reforms, was replaced (in May 2012) by his own man Nyan Tun (formerly naval chief)⁶. Many of his ministers have supported him in his movement towards reforms and he has in return promoted them in the hierarchy thus reinforcing his own position. Thus he has skillfully reduced the challenges from the ex-military officers who had contrary ideas.

Further, the Cabinet ministers who were of not much consequence in the earlier dispensation (i.e. under military junta as the regional military commanders had sway over all the political and governance powers) have acquired much more

⁵ Seamus Martov, "Myitsone Dam Project on Hold But Far From Dead", *The Irrawaddy*, November 06, 2013

⁶ "Myanmar Names Naval Chief as New Vice President", *The Jakarta Post*, August 15, 2012 available at <http://www.thejakartapost.com/news/2012/08/15/myanmar-names-naval-chief-new-vice-president.html>

influence under the new framework of hierarchy and are cooperating with the President. In August 2012, President Thein Sein had reshuffled his cabinet and inducted some other advisors into his office⁷. The objective of the exercise appeared to be to shunt out the ministers who were not aligned with his agenda of reforms as also to consolidate his own position. There have also been debates on the powers of the President and the Union Parliament which can be viewed as teething troubles in the evolution of Myanmar's democracy. Even while Lower House Speaker Shwe Mann has some differences with the President on some issues he has been moving along the liberal path which has restricted the military from dictating policies that are not within its realm.

Some of the important developments which have taken place include the granting of amnesties to political prisoners, liberalization of policies on media and successful holding of bye elections. Nobel laureate Aung San Suu Kyi , leader of the opposition party National League for Democracy (NLD) won the Parliamentary seat during the bye elections held in March 2012. In fact, the NLD went on to win 43 seats out of 46 seats that were due for bye election. In a sharp departure from the past practice, wide access was granted to the international media for coverage of the bye elections. The fact that Suu Kyi chose to participate in the elections is being viewed as a positive endorsement of the changes that are occurring on the political firmament of Myanmar. In August 2012, Aung San Suu Kyi was appointed as chair of the newly-formed lower house Committee for Rule of Law and Peace and Stability. The main task of the Committee is '*to supervise*

⁷ "Thein Sein Reshuffles his Cabinet to Strengthen National Reforms", The Nation, August 29, 2012 available at <http://www.nationmultimedia.com/aec/Thein-Sein-reshuffles-Cabinet-to-strengthen-nation-30189290.html>

*whether the four important pillars—the legislature, the judiciary, the civil service and the media—are following the rule of law*⁸.

The military's rapprochement with NLD leader Daw Aung Suu Kyi, who was earlier banned from taking part in the political process has created a conducive climate for further reforms. The military's perceptions have been shaped by the people's support to Suu Kyi and her acceptability in the U.S. and other Western countries.

Though Suu Kyi is in favour of amending the 2008 Constitution to bring it in line with true democratic principles, it is unlikely to happen too soon given the overwhelming dominance of the military in the Parliament. However, the demand for amendment/change of Constitution is increasingly gaining resonance. Though the Government formed a 109 member committee in July 2013 to review the Constitution, its composition has a heavy bias in favour of the military (USDP-52 members, military-25, 25-from ethnic parties and NLD-7). The USDP has been cautioning against revision or repeal of the Constitution. On the other hand, the United Nationalities Federal Council, a grouping of ethnic nationalities has rejected the 2008 Constitution and is working towards drafting a new Constitution. Similarly, NLD is in favour of major changes in the Constitution. Privileges of the military and its dominant role in legislature and elsewhere are the major contentious issues.

The military has also replaced its major ranked Members of Parliament with higher rank officers of Lieutenant Colonels to Brigadiers in an attempt to ensure that military had senior representation to protect their interests⁹.

⁸ Suu Kyi to Head Rule of Law Committee", The Irrawaddy, August 07, 2012

In September 2012, President Thein Sein in his address to UN General Assembly (UNGA) went on record to say that he would continue to pursue further democratic reforms. In his speech, he took pride in the fact that his country was “leaving behind a system of authoritarian government wherein the executive, legislative and judicial powers were centralized,” and replacing it with “a democratic government and a strong, viable Parliament following a practice of check and balance”. Since his speech was widely telecast both abroad and at home, his pronouncements cannot be brushed aside. He stressed that that the changes that are taking place are ‘tangible and irreversible’. He told the UNGA that while Myanmar is making progress in its democratic transition, it faces a number of formidable challenges that will require both the continued support and patience of its people, the United Nations and the wider international community¹⁰.

Responding to positive political developments in Myanmar, the U.S and Western governments have eased their sanctions and there have been high level visits. Hillary Clinton (30 Novemebr-02 December 2011) and President Obama (November 2012) have visited Myanmar and the U.S. has appointed an ambassador to Myanmar. President Obama during his visit to Myanmar observed that

“The road ahead will be marked by huge challenges, and there will be those who resist the forces of change. But I stand here with confidence that something is happening in this country that cannot be reversed, and the will of the people can lift up this nation and set a great example for the world. And you will have in the United States of America a partner on that long journey.”¹¹

⁹ Thomas Fuller, “Myanmar’s Opposition Leader Takes her Seat in Parliament” The New York Times, 02 May 2012

¹⁰ Statement by President Thein Sein in UN General Assembly on 27 September 2012 available at http://gadebate.un.org/sites/default/files/gastatements/67/MM_en.pdf

¹¹ “Remarks by President Obama at the University of Yangon”, November 19, 2012 available at <http://www.whitehouse.gov/the-press-office/2012/11/19/remarks-president-obama-university-yangon>

Myanmar's politico-military leadership is also looking forward to be the Chair of ASEAN 2014. In fact, in the last ASEAN summit held in Brunei in October 2013, Myanmar has been formally handed over the charge of chairmanship. If Myanmar under the present leadership is able to conduct multitude of meetings connected with the ASEAN in the coming year then it would be viewed as a plus point for the current dispensation. But it would not mean that international pressure for further reforms would be reduced. On the contrary, Myanmar leadership would continue to be under international pressure to take the reform process further.

The Myanmar leadership appears to be also seized with the poor economic situation of the people and is keen to intensify its economic integration with the ASEAN, EU and rest of the world. This can only be achieved if Myanmar is seen as taking progressive steps towards more political and economic reforms. Any regression or retrograde step away from this path would inhibit the international community from cooperating with Myanmar. The Tatmadaw has come to appreciate this reality and therefore has been stepping away from the levers of power though it is too early to say that it will not revert to its earlier ways.

The political and military leaders of Myanmar are also seized of the fact that integration of armed ethnic groups and cessation of armed conflicts is necessary for ushering in a strong democracy in the country. While ceasefire agreements with ten armed groups have been reached, there are some delays in reaching appropriate agreements that would hold with Kachins and some other smaller groups like Karen National Union. In the last week of October 2013, 17 ethnic armed groups held a conclave at Laiza and formulated proposals to be placed before the government for reaching an accord. Thereafter, in the first week of November, a meeting between the ethnic groups and Myanmar's Central government was held which was also attended by the U.N. observer and China's representative. While

the ethnic groups proposed establishment of a 'federal army' among several other proposals, the Union Government presented proposals that included non-disintegration of the Union, non-disintegration of national solidarity, perpetuation of sovereignty and democratic principles, according to the 2008 Constitution¹².

Though the Constitution talks about devolution of powers from the Centre to the States and rights of self-determination and equality for ethnic groups, they are not satisfied with some of the provisions of the 2008 Constitution. The States have been given very little powers especially when it comes to revenue sharing. Most of the power remains centralised with the Union Government and there is little of federalism to speak of. And the question of military's dominance in the affairs of the State remains a sore point with them. Ethnic armed groups want the 1947 Panglong Agreement through which the Union came into existence to be the basis of negotiations. Given the current situation in legislature, trying to amend the Constitution through the Parliament seems to be well nigh impossible. Possibly, they would have to work with the other democratic forces and civil society activists to achieve their objectives. Meanwhile the politico-military leadership would also have to be more open to the demands of the ethnic groups if they want the process of nation building to move towards a virtuous path. Going against the grain of their nature, perceptions and beliefs held since the birth of their nation, this may not be an easy task for the military leadership.

Economic Reforms

While the political reforms are visible to the common people, the slow pace of economic reforms is yet to create a visible impact in improving the economic conditions of the common people¹³. However, according to an IMF report of

¹² Nehginpao Kipgen, "Challenges of Myanmarese Reconciliation", *The Hindu*, November 8, 2013

¹³ For instance see "Suu Kyi Says No Real Progress Yet in Burma's economy", *The Irrawaddy*, October 3, 2013

August 2013, “*The authorities have made impressive strides in opening and liberalizing the economy, despite limited capacity. Import restrictions have been removed, import monopolies abolished, administrative procedures eased, and, not least, the exchange rate regime comprehensively overhauled.*”¹⁴

Based on the completion of hydro carbon projects and energy exports, the government is going to earn additional revenues. Foreign investment in Myanmar's hydro-carbon sector has crossed 14 billion US dollars which accounts for one third of the total foreign investment. Further, Myanmar's currency exchange rates have been brought in line with the actual exchange rates with the other countries. Earlier, the prevalence of many official and non-officials exchange rates was a source of corruption and many malpractices. Bringing into force a Foreign Investment Promotion Law in November 2012 has been seen as a major economic reform. This was opposed by some of the vested interests and anti-reforms lobby who have been profiting from crony capitalism and ties with the military. The new government has also embarked on the path of loosening the stranglehold of military in the lucrative areas of economy. For instance, UMEHL's monopoly on edible oil imports has been ended, its major privilege of importing vehicles and monopoly on beer licenses has also been curtailed. The two military sponsored economic behemoths have also been asked to pay taxes¹⁵.

The Government of Myanmar is also moving towards signing the Extractive Industries Transparency Initiative (EITI) which would make the foreign earnings

¹⁴ IMF Country Report No. 13/250 of August 2013 on Myanmar

¹⁵ For economic reforms see Juliet Shwe Gaung, “New govt changes import/export license system”, *Myanmar Times*, 2-8 May 2011 and “Yangon's many faces of change”, *The Wall Street Journal*, 5 November 2011

more transparent. It was for the first time that the defence budget was presented to the Parliament in February 2012. Again the exercise was repeated in March 2013. Though there were not enough details on the military's budget yet many questions were raised on the budget allocation. Also the defence budget was much more than what has been earmarked for civil sectors. This only points towards the fact that though there may not be any dramatic changes in the perceptions of the military influenced government yet, the military may not be able to return to its erstwhile ways because of a number of factors such as popular pressure, media and civil groups' advocacy and international deterrence.

Future Pathways

Given the past discourse and the current political, military and economic environment that is being impacted by a number of domestic and international factors, the pace of change is likely to be very measured and slow but it is largely expected to be in the positive direction. It would be very difficult for the military to return to the past as domestic and international pressure would militate against the military adopting such a path. What can be safely forecast is that there is going to be an incremental and gradual progress in political, military and economic transitions and in integration of Myanmar with the region and world at large.

Reflecting on the ongoing reforms process, the IMF report of 2013 observes that *“The course of political and economic reforms is becoming increasingly secure, despite ethnic and religious tensions. Political reconciliation continues, with the Parliament set to review the Constitution. This will set the tone for the 2015 general election, which is increasingly shaping political (and economic) calculations. Recent reshuffles of ministers and high-ranking officials are widely seen as moves to strengthen governance.”*¹⁶ The Myanmar economy is also on a

¹⁶ IMF Country Report No. 13/250 of August 2013 on Myanmar

positive trajectory. The international institutions like IMF, the World Bank and Asian Development Bank visualize a brighter future for Myanmar if additional economic reforms are introduced with some alacrity in the coming years. Myanmar being rich in natural resources like hydro carbons and minerals with good agricultural potential if properly harnessed and managed could improve the lot of common people.

The dynamics between different power centers especially the military, quasi military, political and civil institutions and how they consolidate or relinquish their power would dictate the outcome of reforms agenda. The interregnum between now and 2015 elections or even the leading up to 2020 elections would be an important period of opportunity for political parties and civil institutions to expand their space and consequently shrink the space for military which have dominated Myanmar for many decades. Will the party i.e. USDP control the military like the Communist Party of China does or will the military control the party as the unstated intention might be in the current constitutional and political mechanisms and structures. While the current political environment suggests that political opposition in the shape of NLD led by Suu Kyi has been allowed to expand space yet it is uncertain as to what could be the limits of such a space given the conservative nature of military influenced regimes. Will the 2008 Constitution be amended to allow Suu Kyi to run for Presidency or for that matter what would be the extent and depth of its revision or will it be altogether overhauled? In the coming years, all such imponderables are expected to increasingly become clear.

Another imponderable is that if the politicians start accommodating military then will the military become the ultimate arbiter on some of the major issues like what is happening in Pakistan's democratic model. While Suu Kyi has attempted to build bridges with the military by attending the Armed Forces Day ceremony in

March 2013, her presence at the event did also send a mixed message. Was she accommodating the military more than what was necessary? This development occurred shortly after Suu Kyi as a head of a government appointed Parliamentary commission that went into Leptadaung copper mine controversy recommended going ahead with the Chinese backed project despite public opposition. The Myanmar military-backed Union of Myanmar Economic Holdings (UMEHL) also has a share in the said mining project. The people who are affected adversely by the project in many ways are still protesting¹⁷. Though it is also being said that the government is not implementing the recommendations of the Suu Kyi led Commission.

On the other hand, the military has also been sending mixed messages. During his speech on the occasion of Armed Force Day, Senior-Gen Min Aung Hlaing said that military would continue to play a leading role in politics. But he also observed that military would “keep on marching to strengthen the democratic administrative path wished by the entire people.” Later in August 2013, Gen Hlaing during an address to military officers at the Convocation Hall, Military University advised that “*The military leaders should be complacent and be gratified with what they have. I would like everyone to execute their duties honestly, modestly, industriously and with full of altruism*”¹⁸ Such contrarian impulses are expected to be present in Myanmar's polity as its political and military leaders struggle to chart out a new future for Myanmar.

¹⁷ “Residents Protest Leptadaung Copper Mine Resumption”, Radio free Asia, October 15, 2013, available at <http://www.rfa.org/english/news/myanmar/letpadaung-10152013190656.html> . Also see Zarni Mann, “Leptadaung project should not resume, say farmers”, *The Irrawaddy* , October 09, 2013

¹⁸ “Gen Min Aung Hlaing Urges Military Officers to be Complacent”, *Mizzima News*, August 19, 2013, available at <http://www.mizzima.com/mizzima-news/politics/item/9879-general-min-aung-hlaing-urges-military-leaders-to-be-complacent>

While the military has ambitious modernisation plans in future, the same would be impacted upon by fiscal controls and likely increased transparency which had altogether been absent earlier. For the first time the defence budget was presented in the Parliament in February 2012. So far there has been no public scrutiny of how military spends the allotted funds. As a proportion of the overall government's budget the military spending was reduced from 23.6 to 14.4% as compared to the previous year.¹⁹ Similarly, the defence budget with marginal reduction in terms was presented in the Parliament in March 2013 with some questions being raised about the amount allotted. The military is also deriving revenues from its commercial enterprises and other sources which have led to corruption and many malpractices. If the Myanmar economy continues to grow and the military is able to move away from its past practices of earning money, then it could legitimately be granted additional funds for its modernisation process in the future. Many European countries and the U.S. are keen to have defence cooperation with the Myanmar military especially in the areas of joint training and joint military exercises. Thus defence cooperation with a wide variety of militaries from different nations would broaden the horizon of Tatmadaw leadership that could influence them to tread a moderate path.

Implications for India

It was only in the early 1990s that India realized that it was fast losing strategic ground to China due to its lack of engagement with Myanmar. Not only security and stability in the border regions was crucial to India from the internal security point of view but also constructive engagement with Myanmar and connectivity through it was very important for India to realize its 'Look East Policy' unveiled in

¹⁹ Brian McCartan, "Myanmar military in Money", Asian Times, February 28, 2012 available at http://www.atimes.com/atimes/Southeast_Asia/NB28Ae02.html

early 1990s. In fact, Myanmar being the land route to South East Asia is considered as the lynchpin of India's Look East Policy (LEP).

From Indian perspective, there is a hope that the course of reforms would be progressive even though they may occur at a relatively gradual pace. India has continued with a broad based and balanced relationship with political leadership across the spectrum as was evident from successful visits of Aung Suu Kyi and exchange of visits by Indian and Myanmar leaders. The military in Myanmar has also been engaged through reciprocal visits by the Indian and Myanmar service chiefs.

With the U.S. and the Western nations engaging Myanmar, the strong influence of China in Myanmar is likely to be impacted. Due to China's imposing presence and its exploitation of Myanmar's resources against the popular will, there has been considerable public opposition to the Chinese projects. Suspension of construction of Myitstone dam denotes waning of overwhelming Chinese influence. China's larger interests are likely to be certainly affected, but to what degree and extent is not clear so far. China may lose its sole beneficiary and benefactor role but only to become the most preferred one. On the other hand, the links between Yunnan province of China and Myanmar are well established and are thus likely to be sustained. Further, entry of major global energy players in Myanmar may be a setback for Chinese companies as increased competition would prevent greater off-takes for Beijing.

From the security point of view, Indian concerns are mainly related to firstly the influence of PLA through military largesse to the Tatmadaw and sanctuaries offered to the North East militant groups in Myanmar and the ongoing conflict in Kachin areas. India needs to further strengthen its own equation with Myanmar

government in order to curtail anti India activities by some of the Myanmar based rebel groups.

Myanmar army is looking for hardware and there is some scope for India to provide items such as transport aircraft, helicopters and so on as well as expand training and capacity building. It is important for India to build up capacities of Myanmar's armed forces especially in relation to developing its prowess in fighting the insurgents. Since the year 2000, there have been off and on coordinated operations along the borders to flush out the insurgents. The insurgents take advantage of the difficult terrain along the borders and lack of adequate controls along the borders to carry out attacks and then cross over to Myanmar.

Opening of the Myanmar economy presents a good opportunity for strengthening its trade and economic relations besides increased avenues for Indian investments in resource rich Myanmar. Entry of international agencies such as World Bank, IMF, ADB and others is likely to lead to expansion of the economy particularly in terms of effective regulations for investment and conduct of business. Moreover, unlocking of Myanmar's resources particularly oil and gas could be seen as beneficial to India given its dependence on West Asia so far.

In addition, the Chennai-Dawei sea corridor is seen to be another growth highway for the LEP. With the opening of Myanmar economy, the LEP is likely to get a boost. This apart, the overall development of infrastructure including the railway and road network, ports and transportation is seen to be beneficial for the LEP and the prospects are likely to be enhanced. In this it is India's own inefficiencies in project implementation that is of concern for New Delhi and how it will be able to get its act together remains to be seen.

There is a need to explore the scope for joint India China infrastructure projects in Myanmar to include oil and gas, transportation both road and rail and construction of dams. Indian and Chinese companies are presently engaged in the Shwe gas and pipeline projects which may provide a model for the future. GAIL and ONGC Videsh Ltd. own a 30% share in the A1 fields and intend to acquire a share in the A 2 fields which could be jointly exploited along with other majors such as Daewoo Corporation.

India also has a large number of projects in the pipeline in Myanmar many of which are languishing due to lack of impetus and tardy implementation. These include upgradation and resurfacing of Tamu-Kalewa-Kalemyo road; construction and upgradation of the Rhi-Tiddim Road; Kaladan Multimodal Transport Project and high speed data link in 32 Myanmar cities. ONGC Videsh Ltd. (OVL), GAIL and ESSAR are also working in the energy sector in Myanmar. M/s RITES is developing the rail transportation system and is supplying railway coaches and locos. Tamanthi and Shwezaye Hydro-Electric Power projects are also in the pipeline.

Joint Indo-Western projects also have major prospects in the fields indicated above. Some initiative will have to be taken by the Indian industry as well as bodies such as the CII which has a programme of cooperation with the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). Indo-US/EU Business Councils and similar organizations may act as a catalyst for this purpose. A joint initiative will pay rich dividends in this direction.

Finally, the domestic reform in Myanmar gaining momentum and its reconciliation with the U.S. and the West is expected to open up many economic and strategic opportunities for Myanmar. India is well positioned to cement its growing economic and strategic engagement with Myanmar both on bilateral and

multilateral basis. Myanmar's steps in balancing its relationship with China need to be supported. For India, Myanmar will remain a strategic land bridge for engagement of South East Asian nations. Improving regional connectivity and integration of regional economies would serve the interests of both Myanmar and India well.

Conclusion

Multiple transitions taking place in Myanmar if brought to successful conclusion would throw up many opportunities not only for the common people of Myanmar but also for the region and international community to continue to work towards a peaceful and prosperous future of Myanmar. It is quite likely that Tatmadaw which has enjoyed power for many decades would not find it easy to give up their privileges in the emerging power configurations. On the other hand, the military's perceptions about itself and its role are in a state of flux. Tatmadaw could be credited with taking some bold steps in ushering in the new dispensation however lopsided it may be in favour of the military. Yet there is potential for introduction of further reforms and weakening the stranglehold of military in many areas of governance and policy formulation. Political and economic reforms that have been implemented and many others which are underway would gradually pave the way for more inclusive power structures where different sections of the diverse Myanmar's society are able to voice their say with concomitant impact on government's policies.

Myanmar as a nation faces many daunting challenges on political, economic and security fronts. The military appears to be willing to work with opposition leaders like Aung Suu Kyi whose prominence has been growing and whose participation in the current political process imparts it a certain degree of legitimacy. The acid test for the current military influenced political dispensation would be how Aung

Suu Kyi is accommodated and what kind of Constitutional reforms are brought in before the next elections. Making peace with the ethnic armed groups and devolution of powers to provinces/regions would go a long way in providing and ensuring long term stability. Economic grievances of the people need to be addressed in a meaningful way. Military needs to move further away from its involvement in economic affairs and running of enterprises. Unfair distribution of revenues from natural resources, confiscation of land, and adverse social and environmental impact of some of the development projects also need to be kept in mind while charting out the future of Myanmar. Ultimately, the military has to function under the civilian democratic dispensation if Myanmar wishes to emerge as a modern, democratic and a progressive nation.

With the opening of Myanmar, India needs to deepen its political, strategic and economic engagement to attain its policy objectives and to promote peace stability and prosperity in the region.

Image Source: <http://www.theepochtimes.com>

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The Vivekananda International Foundation is an independent non- partisan institution that conducts research and analysis on domestic and international issues, and offers a platform for dialogue and conflict resolution. Some of India's leading practitioners from the fields of security, military, diplomacy, government, academia and media fields have come together to generate ideas and stimulate action on national security issues.

The defining feature of VIF lies in its provision of core institutional support which enables the organization to be flexible in its approach and proactive in changing circumstances, with a long-term focus on India's strategic, developmental and civilisational interests. The VIF aims to channelize fresh insights and decades of experience harnessed from its faculty into fostering actionable ideas for the nation's stakeholders.

Since its establishment, VIF has successfully embarked on quality research and scholarship in an effort to highlight issues in governance and strengthen national security. This is being actualized through numerous activities like seminars, round tables, interactive-dialogues, Vimarsh (public discourse), conferences and briefings. The publications of the VIF form the lasting deliverables of the organisation's aspiration to impact on the prevailing discourse on issues concerning India's national interest.



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