



CAREFUL STEWARDSHIP: MANAGING MYANMAR'S BUMPY ROAD AHEAD

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Myanmar's transition process has proceeded apace with significant results already achieved. However, bumps are to be expected on the road ahead which may temporarily throw Myanmar off track. Thus there is a need for careful stewardship by all actors involved, including the civilian government and well-targeted support from the international community.

A Promising Start

Political and economic changes in Myanmar have been dramatic over the last two years or so since the civilian government came to power. The latter should be given credit for its initial reform attempts, which have already yielded very significant results within a short space of time. Politically, Myanmar has started to open up to the world: many state and other high-level visits have taken place in recent months. In the last couple of weeks alone, the EU's foreign policy chief Catherine Ashton, former U.S. President Bill Clinton, and former UK Prime Minister Tony Blair have visited Myanmar, in addition to dozens of ministers, economic missions, and representatives of civil society organizations. Progress has also been seen in regard to the country's long-simmering ethnic conflict, with headway having been made toward a nation-wide ceasefire agreement and greater engagement from all stakeholders in the peace process to start a comprehensive political dialogue. Furthermore, in addition to other economic reforms, including those related to the banking sector and currency, the recent tendering process for four telecom licenses, seen by many as a litmus test for the process of change underway in Myanmar, has been successfully completed in line with international rules and standards. In spite of all this, the country's problems are far from resolved and major difficulties remain on the road ahead.

Challenges and Implications

While the international community has raised expectations about the change underway, obstacles will inevitably endanger the top-down "Myanmar-style" transition if not

carefully managed. One of the main challenges is that the government is driving the reform process at breakneck speed and yet lacks the capacity to follow up on all reforms passed and to make sure that the effects reach the population at large. Hundreds of laws have either been voted on by Parliament or are pending discussion. Legal frameworks are—in many fields—still missing and the implementation of new legislation essentially remains unclear. Challenges to the rule of law have also been one of the factors that have tempered the optimism of the international business community, which has hailed the country as the next Asian tiger but is concerned about security for investments.

Difficulties in the wider reform agenda include donor coordination and the delivery of promised aid money, a parliamentary initiative to begin a constitutional review—which has the potential to change political dynamics in Nay Pyi Taw—and renewed unrest, exemplified by sectarian violence between Muslims and Buddhists in central Myanmar. This adds to ongoing ethnic and religious problems in Rakhine State and also increased tension in Kachin State. More generally, Myanmar could experience rising social tensions and even threats of terrorist activity, as evidenced by the bomb attacks in October this year. There are still longstanding grievances and tensions that can be exacerbated if reform promises fail to materialize for religious and ethnic communities as well as the population at large.

Failures to address these problems might delay progress toward a peace dividend, one in which the general population can see an improvement in their livelihoods. Serious setbacks will also impact negatively on the reform camp around President U Thein Sein, who credibly wants to deliver concrete results before the elections in 2015, and thus could also delay further reforms. In turn, this could



also potentially set the clock back in terms of the country's democratic transition, especially in the case of intensified ethnic conflicts or if more conservative groups gain power. The elections—tentatively scheduled for the end of 2015 or more realistically in the beginning of 2016—have raised some question marks. The main contenders have started to change their rhetoric and define positions, which will affect the political climate to be more uncompromising as they enter election mode. Recent discussion about changing the constitution to make it possible for Aung San Suu Kyi to participate also complicates the picture.

The international community, on the other hand, has too high expectations and “golden plating” will not be helpful in this regard. A major issue also concerns the Myanmar army and the question how it will act during and after the elections. There is international reluctance to engage with what is potentially still the most important actor, one which is crucial if the reforms will continue to develop positively. However, as seen in other transitions from military to civilian rule, the question can now only be “when” and not “if” to engage with the military. This will be necessary if one has the long-term good of Myanmar in mind.

Key Recommendations

Myanmar will need the support of all stakeholders in order to consolidate the gains of its transition. Smart, targeted, and effective contributions to the transformation process remain a challenge for all. The context becomes more complicated over time, with more actors being involved. Political agendas become more apparent and not necessarily compatible as they are often defined more in terms of differences than cooperation. This requires all stakeholders to step up their efforts in terms of coordination and political commitment toward a Myanmar-led transition process. This means that no “ready-made” concepts can be applied but expertise should instead be tailored to the Myanmar context. Finally, the Myanmar government is the main steward in managing the path ahead, which means that it is incumbent on it to pursue the correct choices to keep the country on track.

- International partners and donors need to better coordinate result-oriented aid and process support. This includes targeted support to the reformist government and the political and military leaderships of

the ethnic groups.

- The outside perceptions about the consequences of the change process diverge dramatically from the reality felt on the ground. The Myanmar government will therefore have to manage expectations internally, but also externally with the wider international community. International partners need to be realistic about what can be achieved in what timeframe. This needs to be driven by better analysis and a long-term development strategy that replaces *ad hoc* support initiatives.
- Given the complexities of the Myanmar context and its history, there is an urgent need for “out of the box” thinking and policy recommendations rather than rigid, and often failing, strategies.
- Engage the Myanmar army/Tatmadaw: the international community has to engage more closely with Myanmar and its security forces in order to discuss options for security sector reform. This will also include the role of the army in terms of safeguarding peace. Disarmament and demobilization will be key issues for stable development and human security.
- Trust is lacking among virtually all segments of society and trust building has to be central to all support efforts to start building a new social fabric that can underpin all political, social, and economic reforms.
- The Myanmar government has to focus its reforms and deliver tangible results to ensure that “peace and transformation dividends” reach the people in all parts of the country and that the effects of reforms reach the population at large.
- The government has to prepare and implement a comprehensive political framework that will give the ethnic groups more security and guarantees. Continued support to strengthen the capacities on both sides (government and ethnic groups—armed forces and political) is needed.
- To be able to prepare the grounds for a federal system, all regional and local governance structures have to be strengthened and adequately equipped.
- Education reform must be a key priority for the current and following government, as it represents an investment in the human resources of the country which are just as important as the focus on infrastructure investments and sustainable energy policies.



- The ethnic groups have to be clear on what they want beyond the ceasefire stages as well as on the outcome of political talks. A lot of the demands at present are not much clearer than simple headlines and political demands. Therefore, the international community is called upon to play an impartial and neutral role in helping ethnic groups to overcome internal rifts and strengthen the capacity to strongly engage in the process.
- Stakeholder training is needed to start bridging the gap, in competences and expertise, left behind by the former military government. This includes training for political actors, civil society, and media representatives.

This list of recommendations is certainly not comprehensive. It reflects interviews conducted by ISDP with key stakeholders and partners during recent weeks in Myanmar to identify possible bumps/challenges in the current transition process and how to overcome them. The challenges will continue to become clearer as Myanmar takes one step after the other on its journey of reintegration into the international community and as the country's peace process, democratic transition, and economic development continue to unfold.

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