PRECONDITIONS AND PROSPECTS FOR DEMOCRATIC TRANSITION IN BURMA/MYANMAR

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Abstract
This article evaluates the prospects for democratic transition in Myanmar by looking at the environment under which dissident leader Aung San Suu Kyi was released from house arrest in 1995 and 2002. It argues that while her release in 1995 was mainly based on the regime’s overconfidence in its future political stability and Myanmar’s economic prosperity, the absence of these expected outcomes in the early 2000s has forced the military government to develop a more conciliatory position toward the opposition leader. This analysis draws broader implications from current political and economic affairs and assesses their impact on Myanmar’s transition to democracy.

Last year, the arrest and trial of former dictator General Ne Win’s family members and the release of the opposition leader Daw Aung San Suu Kyi generated both optimistic and pessimistic speculation about Myanmar’s prospects. On the one hand, many regard the military government’s seemingly positive gestures as a public relations ploy, and therefore subject to reversal once the military junta attains its objectives in the form of resumed foreign assistance and a better international image. On the other hand,
the lesser restraints put on Suu Kyi’s several trips outside Yangon, the release of 300 political prisoners since January 2001, the gradual disappearance of open public attacks on Suu Kyi in the mass media, and the regime’s invitation to open dialogue with the United States and to “cooperate” with the International Labor Organization all demonstrate that the Burmese military junta has been under tremendous pressure to undertake certain measures toward democratic reform to gain international acceptance.

To evaluate these perspectives, this article provides a brief background of military rule in Myanmar. It then highlights a number of changing political and economic circumstances, and examines their impacts on Myanmar’s transition to “democracy.” Here, the term “democracy” incorporates both the procedure to elect governing authorities (competitive, multiparty elections, public participation in politics); liberal principles such as social, political, economic, and religious rights; and the setting of limits to government power over society and individuals.¹

The last part of the article draws broader political implications from current events. Given the expected continuing role of the military in politics, and the pervasiveness of authoritarian practices in Burmese society, a certain level of political repression, manipulation, and restriction will likely continue for a long time. However, the empowerment and greater recognition of pro-democratic forces and civil society will at least provide more room for political maneuver and multiple checks on rampant abuses of government power. Such prospects are not too unrealistic, and they may be able to gradually steer Myanmar toward the path of democracy.

**The Emergence of Authoritarianism in Myanmar**

Myanmar gained independence from Britain in 1948, and experienced civilian rule until 1962. The U Nu-led civilian government encountered continuous threats and challenges from growing communist and minority ethnic insurgencies and from a war-shattered economy. The military government, which took power in 1962, attempted to legitimize its rule by emphasizing its role in unifying the country. Under the leadership of the military dictator Ne Win, the army consolidated power, instituted a socialist economy, and announced its hardline policies on ethnic minorities. It eliminated all opposition parties, prohibited free speech, and allowed only the state-controlled and military-dominated party, the Burmese Socialist Program Party (BSPP), to

function as a legitimate political organization. The junta also nationalized industries and trade, and intervened extensively in the economy. The economy suffered as a consequence, culminating in a public protest in 1988. The popular uprising began in March 1988 with a fight between a small group of engineering students and townspeople over the type of music played in a cafe. The government’s mishandling of the situation resulted in the killing of a protesting student by riot police. The students’ demonstration spread to the main university campus in Yangon and encountered a similar level of brutality by riot police. It was estimated that hundreds of students died during the confrontation, although officials only admitted to the deaths of 41 students from suffocation from a crammed police wagon.\(^2\)

In late July 1988, U Ne Win resigned as the chairman of the BSPP and appointed Sein Lwin to replace him. Sein Lwin was hated by students, and was held responsible for the killing of civilian demonstrators in 1962, 1974, and 1988. Popular anger and outrage led to an even larger scale of demonstrations, and gradually drew in people from all walks of life, including civil servants, factory workers, and even army personnel. Sein Lwin resigned on August 13, and was replaced by Dr. Maung Maung, a Yale graduate and a civilian, who had close ties with Ne Win. His appointment did not appease the angry protesters. The numbers of people in street demonstrations increased.\(^3\)

The military responded by staging a coup on September 18, 1988, and by declaring martial law. It assumed a new name, the State Law and Order Restoration Council (SLORC) and promised to hold a multiparty election. More than 200 political parties registered; the most prominent was the National League for Democracy (NLD), which was led by Aung San Suu Kyi. Suu Kyi is the daughter of Aung San, who was the leading nationalist and independence fighter against British colonial rule. Aung San was assassinated in 1947, leaving his widow and three children. Suu Kyi spent most of her adult life abroad, received her education in England, and married a British scholar. Her return to Myanmar in 1988 to take care of her ailing mother coincided with the popular uprising. With an articulate and charismatic personality, she joined the opposition movement and immediately rose to prominence because of her father’s legacy and her ability to connect with ordinary citizens. Her tremendous popularity and occasional confrontations with the military junta eventually led to her house arrest in 1989. She was sentenced under violation of Order 2/88, which prohibited gatherings of more than four people in public. The election was held in May 1990, and Suu Kyi’s NLD

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3. For Maung Maung’s own account of these events, see Maung Maung, *The 1988 Uprising in Burma* (New Haven: Yale University, Southeast Asia Studies, 1999).
won a landslide victory. The military government refused to honor the result of the election and arrested NLD leaders and students. Nonetheless, the junta has invited foreign investment, legalized border trade, and signed cease-fire agreements with several ethnic insurgent groups, in bids to boost the economy.

Since 1990, Myanmar has continued to be ruled by the military regime, despite international criticism and protest against its violations of human rights and the military junta’s failure to honor the result of the 1990 election. To legitimize its rule, the military government called for a national convention in 1993, where party candidates (including NLD members) and official delegates could consult on drafting detailed political and economic structures for a future Myanmar. Suu Kyi was released in 1995. Although she initially said no conditions had been placed on her release, she and her opposition party members were soon repeatedly harassed and intimidated. Tensions arose after the authorities repeatedly blocked her from traveling outside Yangon.

In September 2000, Suu Kyi and top NLD leaders were placed under house arrest when they attempted to travel by train to Mandalay, 400 miles north of the capital. Suu Kyi was released in May 2002 after a protracted and difficult period of secret talks and confidence-building with the military authorities and a special U.N. envoy, Razali Ismail, who served as a mediator.

**Political and Economic Context of the 1995 Release**

Three main events strengthened the regime’s self-confidence and tipped the balance of bargaining power in favor of the junta government in the mid-1990s. First, the new policy of a more open economy increased revenues in the junta’s coffers. Second, the signing of the cease-fire agreements between the military regime and some ethnic insurgent groups reduced financial and human burdens that the regime had previously borne. Third, the junta’s disproportionate increase in military expenditures also improved the army’s security and police apparatus and consolidated the military power over Burmese society.

After the 1988 massacre, bilateral aid programs from industrialized countries stopped, and the World Bank and the Asian Development Bank refused to provide new multilateral assistance to Myanmar, depriving the country of $400 million to $500 million in annual assistance.\(^4\) However, the absence of these funds was counterbalanced by positive financial returns from the junta’s new economic policy, which was based on more relaxed and open atti-

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tudes toward private and foreign entrepreneurs. Since 1987, the military regime has attempted to reform the “socialist” economy by inviting foreign investment, liberalizing immigration laws, and giving more freedom to farmers over the choice of crops they should grow and how much they should sell to the government. These reforms, although incomplete and lacking a well-thought-out comprehensive plan, pumped up Myanmar’s foreign exchange reserves, which had been dangerously low in 1988. At that time, Myanmar’s reserves totaled only $28 million; they dropped below $10 million at the time of the 1988 coup, but bounced back to $150 million by June 1989.5

In the same manner, total approved foreign investment rose from $280.57 million in 1990–91 to $1 billion in 1994–95.6 Investment included extensive logging and fishing agreements with Thai firms, contracts with oil companies, joint ventures with foreign enterprises, and new construction projects, all of which bore seemingly unlimited income-generating sources absent during the “socialist” (1974–87) periods. The deals over logging and fishing with Thailand floundered in 1993, and many foreign oil companies withdrew after reporting disappointing results on potential economic returns from onshore oil operations. The failure of these projects did very little to shake the military’s confidence, however. In fact, in 1995, the government closed an even more lucrative deal with three foreign oil companies to build a gas pipeline from the Gulf of Martaban to Thailand that was expected to generate $400 million annually. Myanmar’s entrance into the Association of Southeast Asian Nations (ASEAN) in 1997, over protests from Western and European countries, was also a major boost to the junta’s morale. ASEAN’s emphasis on non-interference in the domestic affairs of its member countries gave the Burmese military government considerable freedom and autonomy, and at the same time allowed Myanmar to reap a variety of privileges and benefits reserved for ASEAN members.7

Secondly, since 1989, the military government has concluded ceasefire arrangements with a number of minority ethnic insurgencies. This helped the military concentrate its forces on non-ceasefire groups, such as the Karen National Liberation Army (KNLA), Karenni National Progressive Party (KNPP), and the Shan State Army (SSA).8 Those minorities who made deals

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8. Karen National Liberation army (KNLA), KNPP, and SSA represent Karen, Karenni, and Shan ethnic groups, respectively. There are of course many anti-government groups within each
with the military government, especially the Shan and the Wa, were given economic and political autonomy and the right to carry arms, in return for their agreement to stop fighting against the regime. The agreements also gave them free rein on opium and methamphetamine production, handsomely rewarding drug dealers as well as local military officials. The regime itself reaped benefits from opium production through investment of laundered money from the opium trade. The legalization of border trade with Thailand and China also increased revenues for the government and simultaneously weakened the position of ethnic insurgent groups. Martin Smith, a well-known journalist who specializes on Myanmar, for instance, writes that “such an opening up of the economy, which has generally been dominated by companies with military contacts, has seen a rapid erosion of the financial support base of many insurgent groups, who previously controlled substantial parts of the black market trade in goods such as timber, luxury items, cattle, and medicines.”

Finally, the Burmese military government used new-found funds to increase its military spending and upgrade its weaponry. Although such activities were rumored to be targeted at Thailand, which had often been accused by Myanmar military government as being sympathetic toward ethnic insurgencies and Burmese pro-democracy students, such allocations also help the army intensify control over opposition forces. China was the Burmese government’s greatest military ally: it provided munitions at discount prices, and signed an agreement with Yangon to train Myanmar’s air force and naval officers and to engage in military cooperation, training, and the exchange of intelligence. The increased spending on military expenditures, and a more aggressive stance toward the remaining rebel groups, also led to the defeat of the headquarters of the Karen National Union in Manerplaw in 1995, and drove the insurgents into Thai territory. The Karen National Union, with 5,000 soldiers, was the strongest ethnic rebel group in Myanmar. Such events reassured the regime’s overly optimistic view about Myanmar’s political and economic future. Mary Callahan thus rightly points out that Suu Kyi’s release in 1995 was the result of the “growing confidence of the junta vis-à-vis domestic opposition. . . . By the time of Suu Kyi’s release, the NLD


was barely a party at all, as local branches and the national level organization had been decimated by five years of arrest, repression, and defections.”

Changing Circumstances and the 2002 Release

According to one former NLD member, Suu Kyi’s release in 1995 was the “biggest mistake made by the SLORC,” since her presence and speeches inspired many “soft-liner” NLD leaders who had previously underestimated their potential leadership skills and organizational capacities. Suu Kyi revitalized the activities of the league by celebrating the anniversary of its election victory in her compound, giving anti-government speeches, encouraging the withdrawal of NLD members from the National Convention in November 1995, opposing humanitarian aid, and publicizing her support for international trade sanctions against the government. These tactics strengthened NLD members’ confidence, but were criticized by a minority within the NLD. Smith notes that

[t]here were officials within the government who, claiming to be sympathetic, also privately argued that the NLD’s real failure was that it had not worked out how to deal with a military government that really does not have the experience or ideas to cope with criticism. . . . What such people warned is that if you confront—even through the tactic of non-violence—a military government that is trained to act according to military principles, then it will always react this way. Confront it, and then it will confront you back.

Tensions between the regime and the NLD increased when Suu Kyi launched a campaign to set a deadline of August 21 for the junta to allow parliament, elected in 1990, to meet. The State Peace and Development Council (SPDC), the successor of SLORC, responded by detaining more NLD members and coercing them to close down local branches.

Suu Kyi’s openly confrontational style may have intimidated the military junta. She was re-incarcerated in 2000. By the time Suu Kyi was released from house arrest in May 2002, however, the situation had changed dramati-

13. Interview by author with a former active NLD member, Yangon, Myanmar, December 21, 2002. The majority of the “hardliner” NLD members were imprisoned by the time of Suu Kyi’s release.
15. Ibid., p. 28.
16. In 1997, the SLORC again changed its name to the State Peace and Development Council to provide a softer image of the military regime. Although there was a reshuffling of a few cabinet ministers, the country continued to be ruled by the same military leaders from the 1988 coup.
cally. Not only had the once-promising future failed to materialize according to the authorities’ expectations, but Myanmar also had increasingly come under mounting international pressures to change its stance toward the NLD. The most noticeable pressure was international outrage over the junta’s refusal in 1999 to issue a visa to Suu Kyi’s dying British husband. Myanmar’s foreign reserves dwindled and foreigners withdrew investment, mainly owing to the Asian currency crisis and the intense pressure from human rights organizations, but also partly to the junta’s mismanagement of the economy and its dearth of solid infrastructures. The impact of the currency crisis on Myanmar’s economy was significant. By mid-1998, all Thai and Indonesian investment had come to a halt, and investment from Malaysia and Singapore had slowed considerably. Tourist visits to Myanmar declined sharply, and tourist receipts per visitor fell because of discounted prices that stemmed from excessive facility construction and provision of services. Suffering from massive capital flight, Thailand could no longer afford to continue with construction of the pipeline on its side of the border. Myanmar’s military government now found itself in deep financial throes, as it had used the estimated revenues from the pipeline as collateral for the mortgage on China’s loan.\(^\text{17}\)

Consequently, the annual amount of foreign direct investment (FDI) fell sharply from $1.26 billion in 1997 to $248.26 million in 1998.\(^\text{18}\) By the end of fiscal year 2001–02, Myanmar had received only $17.46 million in foreign investment.\(^\text{19}\) The United States had also intensified pressure on the regime by imposing a variety of restrictions since 1997. These included restrictions on new investment, a visa ban for senior government officials, and an embargo on lending by international financial institutions.\(^\text{20}\) The trend of foreign exchange reserves over the past years, however, does not show a clear relationship between Myanmar’s financial situation and the urgency to release Suu Kyi. For instance, foreign exchange reserves were calculated at $561.5 million in 1995, but dropped to $250 million in 1997. These plunged

\(^{17}\) For more information on the impacts of the Asian currency crisis on Myanmar’s economy, see Stephen McCarthy, “Ten Years of Chaos in Burma,” p. 254. The construction of the pipeline was later resumed, and it is reported that in 2001 Myanmar received $130 million from Thailand for purchasing gas from Yadana pipeline. Mya Than, “Recent Economic Development: Little Change in Myanmar” (unpublished paper), p. 8.


\(^{19}\) Xinhua News Agency, July 28, 2002.

to $222 million in 2000, but bounced back substantially in 2001 to $401 million.\textsuperscript{21}

This fragile economic structure has also been hit hard by the outbreak of the banking crisis in February 2003, which has depleted the government’s already scarce budgeted funds through bailout plans, and has led to the closure of businesses and a slowing of the economy, as well as an increase in crime.\textsuperscript{22} The desperate regime immediately sent a message to Washington to join a dialogue on Myanmar’s economic and political future.\textsuperscript{23}

\textit{Foreign Relations}

The Burmese military regime has also come under increasing criticism for its alleged involvement in the drug trade, and has been pressured to take immediate measures to prevent the spread of heroin and methamphetamine production in the border areas. The strongest pressure came from the two neighboring governments that initially gave tacit recognition and support to the military regime: Thailand and China. The Burmese military government has responded to these criticisms by piecemeal eradication of opium production, reducing it in 2002 to about 50\% of 1996 levels.\textsuperscript{24} Myanmar’s relationship with Thailand also took a turn for the worse when the Thai government failed to take action against Burmese students who took over the Burmese embassy in Bangkok in 1999, and after the United Wa State Army, a Yangon-aligned ethnic militia, traded fire with Thai troops across the border in Chiang Mai Province in May 2002. The Burmese military regime on both occasions has reacted by closing border trade and launching severe verbal attacks in official newspapers against the Thai army and monarchy.

Likewise, Myanmar’s relationship with China was no longer cozy after the mid-1990s. Beijing has expressed growing concern about the potential

\textsuperscript{21} Donald Seekins, “Burma in 1998,” \textit{Asian Survey} 41:1 (January/February 1999), p. 14. Most statistics on Myanmar are drawn from official data, which are not very reliable and must be treated with care.

\textsuperscript{22} See Kyaw Zwa Moe, “Crisis Forces Businesses to Close, Crime to Rise,” in \textit{Irrawaddy} journal, in English, Chiang Mai, Thailand), March 14, 2003. The ongoing bank crisis (as of March 21, 2003) in Myanmar began with the rumor of impending collapse of financial service groups and private banks and with worried depositors attempting to withdraw money from them. The government responded by providing loans to three private banks with an equivalent of $5 million to $11 million at the existing market rate, and by removing the minister of Finance and Revenue. These measures, however, thus far have failed to restore depositors’ confidence. “Myanmar’s Central Bank Bails out Private Banks: Consultant,” Agence France Presse, February 21, 2003.


impact on China of tightening Western sanctions against Myanmar, while the Burmese military government has increasingly felt uncomfortable about the growing Chinese influence.\textsuperscript{25}

ASEAN has played a constructive role in pressuring the Burmese government to continue its dialogue with Suu Kyi. When the Burmese government rejected the ASEAN proposal to send Vietnamese representatives to mediate between Suu Kyi and the military during their standoff in 2000, ASEAN’s image was badly tarnished.\textsuperscript{26} As Maung Aung Myoe has pointed out, the Burmese military regime may have later reconsidered its policy toward ASEAN, which has provided “steadfast support for Myanmar in the face of western criticism and sanctions.”\textsuperscript{27} Pressure to initiate change came especially from Malaysian Prime Minister Mahathir Mohamad, who was the staunchest supporter of Myanmar’s admission to ASEAN, and whose advice has been taken seriously by the Burmese generals. According to Ang Cheng Guan, a scholar on Southeast Asia, “The military leadership in Myanmar is believed to be more receptive to Mahathir’s views and suggestions because he is not seen to be a mouthpiece of the West.”\textsuperscript{28}

The regime’s image was also damaged by the International Labor Organization’s (ILO) decision to ban Myanmar from attending any of its meetings and stop assistance to Myanmar unless it changes its policies on forced labor. It was an embarrassing moment for the military because Myanmar became notorious as the first country ever to be evicted from the ILO. It is quite apparent that the Burmese government has tried desperately to appease the ILO and to improve its human rights record. The regime recently permitted the ILO to set up an office in Yangon, and to create its own version of the regime’s Myanmar Human Rights Committee. Officials also allowed workshops on “Human Rights and Responsibilities” to be held.\textsuperscript{29} The regime has also collaborated with the ILO to draft a plan of “action on eradication of


\textsuperscript{26} Myoe, “Will the Failed Coup Attempt Derail the Ongoing National Reconciliation,” p. 7.

\textsuperscript{27} Ibid., p. 7.

\textsuperscript{28} Ang Cheng Guan, “Myanmar: Time for a Unified Approach,” p. 471.

\textsuperscript{29} Myanmar Information Committee, July 30, 2002. The latest workshop was organized under the auspices of the Myanmar Human Rights Committee and with the support of Aus–AID. The Myanmar Human Rights Committee was created by the junta, and Aus–AID is the Australian government’s overseas aid program assisting developing countries in the Asia/Pacific region. See <http://www.ausaid.gov.au/about/default.cfm>. The workshop was attended by the chairman of the Myanmar Human Rights Committee, the Minister for Home Affairs, and the Australian ambassador to Myanmar. The regime has been accused of continuing and increasing practices of torture, forced labor, land confiscation, and rape, especially in Shan State.
forced labor in Myanmar.” 30 The sincerity and commitment of the regime toward improvements in human rights, however, remain questionable.

Nevertheless, it is very likely that the Burmese government was expecting a change of heart by the boycotting countries (especially the United States and European countries) over Suu Kyi’s second release. Reactions to her release have been mixed. Japan announced its plan to provide the Burmese government with $5 million to renovate a hydroelectric power plant, and the European Union contemplated boosting assistance on Myanmar. The overall U.S. position toward Suu Kyi’s release and the junta’s recent invitation to Washington to join the dialogue, however, has been cautious at best and skeptical at worst. This must have disappointed the Burmese military regime. Following Suu Kyi’s release in May 2002, the Myanmar Times wrote that the government “regrets a decision by the United States last week to extend sanctions on Myanmar because the continued embargo could hamper the nation’s transition to democracy.” 31 The U.S. has also recently threatened to impose sanctions on Myanmar’s garment exports (valued at $420 million in 2001). 32

In sum, the fragile economic situation and intense international pressure provided favorable foundations for Suu Kyi’s release in 2002. However, one should not underemphasize the willingness of both parties to modify their initial positions and to reach a specific agreement. While Suu Kyi used a confrontational method by openly challenging and threatening the military authorities upon her release in 1995, this time she has been careful—so far—not to provoke strong reactions from them.

Since her release, Suu Kyi has not delivered any political addresses to crowds. Her speeches are now always centered on NLD members and are intended for internal use. Suu Kyi has also avoided public discussions in front of the gates of her garden, the approach she usually used before her detention in 2000. In like manner, the military government seems to be practicing caution and self-restraint to avoid open hostile confrontation. 33 This modification in positions by both parties may have also been prompted by awareness of the growing self-identification among the majority populations with the “third force.” The “third force” is a new ideology in Myanmar that

33. Ma Thanegi, a journalist and a former personal aide to Suu Kyi, who spent three years in prison from 1989 to 1992, told foreign correspondents that Suu Kyi’s initial position toward the junta was based on idealistic principles: “(S)he was raised in an idealistic setting, given that her father was a hero in Myanmar.” Thanegi, however, remarked that Suu Kyi “has recently become more flexible compared with her former ways of using sanction, investment or isolation strategies to press her cause.” Kyodo News Service, July 26, 2002.
demands an alternative, middle-way approach to resolving the current political and economic impasse. It is neither pro-regime nor pro-NLD. Those who are moving toward the “third force” include urban residents who dislike the current military regime but who have become increasingly weary of the NLD’s inability to make any significant impact on current politics or the economy. The third force also includes military personnel who disagree with the regime’s practices, yet would not accept the NLD as a legitimate body, as well as residents in ceasefire areas who want more protection and development assistance from the NLD leadership. The emergence of the “third force” as an alternative to the mainstream camps serves as a warning for both military and NLD leaders that confrontational strategies and political deadlock can alienate potential supporters for both parties. Those who associate themselves with the “third force” come from diverse backgrounds and have expressed a variety of reasons for taking this particular path, yet they all share a common goal, i.e., peace, stability, and economic prosperity in Myanmar.34

Although the military junta has, since her release, shown no interest in engaging in dialogue with Suu Kyi, the conditions placed on her daily life seem more flexible than when she was released from an earlier period of house arrest in 1995. To date, Suu Kyi’s activities have not been blocked by the junta, although there has been some occasional, minimal interference.35 Admittedly, the government still has yet to release the 1,400 political prisoners, including approximately 60 who were arrested recently.36 Anti-Suu Kyi pamphlets have been distributed in Prome and Magwe Districts, and Lieutenant-General Soe Win, former air defense commander and a high officer of the military regime, has explicitly stated that the military government had no plans to talk with the NLD or hand over power to it.37 Despite these factors, Suu Kyi has been able to visit NLD offices, non-governmental organizations, and representatives of small political parties and ethnic minorities; has inspected humanitarian projects; and has traveled as far as Pa-An (100 miles east of Yangon), Mandalay (400 miles north of Yangon), and Chin state.

35. For instance, the government canceled her visit to a Japanese non-governmental organization, and also refused permission for her to visit U.N. programs in government buildings. The regime also canceled its business contracts with the father of newlyweds, whose recent wedding was attended by Suu Kyi. BBC Radio, June 13, 2002. U Lwin, the NLD spokesman, also remarked that authorities had tried to disperse a crowd with a fire hose during Suu Kyi’s last two trips outside Yangon. “Deadlocked: Talks with the Junta Are Going Nowhere,” Economist, March 20, 2003.
In sum, while the conditions surrounding Suu Kyi’s release in 1995 were predicated upon the military’s overconfidence in its political and economic potentials, her release in 2002 resulted from the authorities’ increasing susceptibility to a variety of pressures. The military regime may have realized that the only viable strategy to keep itself in power is to begin laying some foundations for political compromise with the NLD and to appease pro-democratic forces. The following analysis delves into an event that does not directly relate to Suu Kyi’s release but that may bear positively on any transition to democracy in Myanmar.

New Face, Old Image
The dictator General Ne Win died in December 2002. He had retired from public life, resigning in 1988 as chairman of the BSPP due to the popular uprising, yet thereafter, he was seen as exerting a continuing influence over many of the current regime’s critical developments. One possible link was through Lieutenant-General Khin Nyunt, the first secretary of the SPDC (the executive branch of the military regime), a trusted subordinate of Ne Win’s who was also reported to have had a close association with the general’s ambitious daughter, Dr. Sanda Win. Many scholars of Myanmar have repeatedly emphasized Ne Win’s influence over the army, and have speculated about the breakdown of unity within the military leadership upon his death.38 Others went further, suggesting that Ne Win was the main impediment to political reform, and that he had vehemently opposed any compromise with Suu Kyi.39

However, these assumptions were proven wrong in March 2002, when the junta arrested Ne Win’s son-in-law and three grandsons. They were charged with an attempted coup d’état and the illegal importation and use of telecommunications equipment. Convicted and sentenced to death in September, Aye Zaw Win and his sons, Kyaw Ne Win, Aye Ne Win, and Zwe Ne Win, are appealing their verdicts. The junta also put Ne Win and his daughter, Dr. Sanda Win, under house arrest, signaling the end of the general’s influence.

Ne Win’s grandsons, in fact, have long been the subject of public distaste, especially among Yangon residents. They enjoyed special privileges, living beyond the rule of law, and their reckless behavior and high-profile lifestyles attracted considerable public attention. In Yangon, for example, they were

39. Alan Boyd, “Myanmar: Real Reform or a Nervous Junta?” in *Asian Times Online*, Hong Kong, February 25, 2003, <http://www.Atimes.com>. Boyd commented that Ne Win’s “implacable opposition to a deal with the NLD had been viewed as the biggest impediment to reform,” and that Ne Win was “hindering efforts to establish a political formula that would ease external pressures without loosening the junta’s grip.”
the only members of the elite entitled to use automobile headlights in the daytime. They had a coterie of bodyguards in black cars whose license plates were numbered in a series of nine, the lucky number for Ne Win. The grandsons organized a gang known as Scorpions, and allegedly committed murder and violence. Many Burmese welcomed the news that a gang of arrogant, reckless, and violent young men was being punished and removed from public view.

There are two potential motives for the junta’s action against Ne Win and his family. The first, as was repeatedly stated in government-controlled media, was simply to preempt the threat from Ne Win’s family members who were disgruntled over their loss of economic privileges and were convicted of plotting a coup against the regime. Major General Kyaw Win, vice-chief of Defence Service Intelligence, announced that the authorities found weapons and some communication devices under the possession of the “coup plotters” (or Ne Win’s relatives), whose motives may have been based on their “losses of business opportunities resulting from the government’s priority given to ethnic organizations.”

Other observers, however, question whether Ne Win’s son-in-law and grandchildren ever planned a coup against the regime. Some Burmese citizens in fact interpreted the junta’s harsh treatment of Ne Win’s family members as a sign of the military government’s desire to break with the past and to gain domestic and international acceptance. After all, Ne Win was closely associated with the deterioration of the economy and the death of many unarmed citizens during his dictatorship from 1962 until 1988. Rumors circulating in Yangon, in fact, said the former dictator himself had advised the authorities to arrest and put his infamous grandsons on trial in order to distance the current regime from himself, and to create a positive image of the military government as impartial and justice-oriented. In the words of a former NLD member, “After all, isn’t it better to be punished by one’s parents [meaning the junta] than by one’s enemies [domestic and international opposition forces]?” Some speculate that the death sentences on the grandsons and their father will be eventually dropped and replaced by pardons. This rumor was quickly discounted after Ne Win’s own arrest and subsequent death, and after it was revealed that his imprisoned grandchildren had told a Red Cross worker that they wished for the well-being of Aung San Suu Kyi, with whom their fates now seemingly are tied. The grandchildren were probably expecting lenient treatment from Suu Kyi in the event of the mili-

41. Interview by author with a former active NLD member, December 2002, Yangon.
42. Interview with a former active NLD member, December 2002, Yangon.
military regime’s turning power over to her (which is unlikely to happen) as the leader of the party that won a landslide victory in the 1990 election.

Thus, it is apparent that the regime’s crackdown on the former dictator and his family members was motivated more by the desire to eliminate potential threats to the junta’s power than to appease domestic and international audience. Furthermore, given the unfavorable treatment of Ne Win and his family and the lack of dialogue with Suu Kyi since the death of Ne Win, it does not seem as if Ne Win had ever played a crucial role in hindering efforts for political reform.

Conclusions: Challenges Ahead

Since the popular uprising in 1988, the Burmese military government has toyed with the idea of “democracy” and a “multiparty” system, manipulating these terms to justify and legitimize its rule. The government has at least paid lip service to implementing these concepts, and to the notion of transfer of power to the party with the most popular support. This shift suggests that a return to one-party authoritarian rule or to a socialist economy, both of which were practiced from 1974 to 1988, is unlikely, although it does not in itself imply the victory of democratic forces: the regime’s actual commitment to democracy has been slow and reluctant.

However, the fact that these events emerged under intense international criticism and stagnant political and economic conditions shows that the regime may have come to realize that it has exhausted all other options except to reach a compromise with the opposition party. It may be searching for mutually beneficial outcomes that at best keep the military in its current position, and at worst do not pose a threat to the lives of military leaders. The junta leaders have made occasional official comments on the 1945–46 Nuremberg War Crimes Tribunal to hint at the consequence of losing control over power. In fact, in April 2002, a group of Burmese students living in Fort Wayne, Indiana, filed a lawsuit in a Belgian court against the military regime, and accused leaders of the Burmese junta of crimes against humanity—including torture, repression, forced labor, and forced relocation.

A complete transfer of power to a Suu Kyi-led NLD, which won the 1990 election, definitely is not a preferred choice for the military regime, because it may lead to trials of many top military officials who are responsible for the

43. The government-run newspaper, *The New Light of Myanmar*, for instance, wrote that “the government is committed to building a democratic state,” but added that “the government is fully aware that if the new democratic state is weak and not strong enough, it may have to face the challenge from unscrupulous elements.” See Xinhua, July 26, 2002.

44. Julie Sell, “Revolution in Spirit,” in *Chicago Reader*, May 31, 2002, p. 7. This was also done against Unocal for abuse of villages near the Yadana gas pipelines under the Alien Claims Torts Act.
deaths of thousands following the military’s takeover in 1988. Given the junta’s repeated emphasis on holding another multiparty election, and given the increasing activities of the regime-supported mass organization, the Union Solidarity and Development Association (USDA) (that claims a membership of more than a quarter of the population, or about 11 million citizens), the most likely outcome is that the military will hold a multiparty election, hoping that the USDA would ensure its success. If this scenario does not occur or fails, the regime may insist on retaining some power, as has already been mentioned in its own version of the Constitution. Accordingly, out of 440 members of the People’s Assembly, or lower house (Auk Hluttaw), 110 members will be appointed by the military.

The bottom line is that each side seems to have come to accept the indispensable role of the other in building a new Myanmar, and therefore some type of power-sharing between military and civilian government could result from future dialogue. This power-sharing scheme will, however, be skewed in favor of the military leadership. Smith, for instance, writes, “Even if there is an imminent change of government, the Burmese armed forces or Tatmadaw will remain the only real countrywide organization that, in the short-term, is able to plan and implement its own agenda. That is the day-to-day reality that Burma’s peoples have long had to live with.” Peter Carey, a leading scholar on Southeast Asia, also concurs that “to expect the military to return to barracks and allow the civilian politicians to take over is not only unrealistic, but flies in the face of Burma’s historical experience.”

In addition, this power-sharing scheme may not take place under a Western-style liberal democracy. However, the empowerment of the pro-democratic forces and the civil society will likely reduce human rights abuses and create freer political and economic environments. Despite continuing repression and restrictions on civil and political rights, Myanmar has gradually moved away from dictatorship and despotism toward the path of democracy. Its future political structure, however, will look more like a “hybrid regime” than a Western liberal democratic government. According to scholar Larry Diamond, hybrid regimes combine both democratic and authoritarian ele-

45. Kei Nemoto, assistant professor at Tokyo University of Foreign Studies and a specialist in modern Myanmar history, goes further to speculate that Suu Kyi may drop the NLD’s demand for a parliament based on the 1990 election results, since the demand seems unrealistic when many of the elected candidates have died, are retired, or are in exile. He predicts that Suu Kyi may urge the regime to form a transitional coalition government. Daily Yomiuri, Tokyo, July 21, 2002.


ments; this type of regime, “which is now so common, is very much a product of the contemporary world.”

Future talks between the opposition leaders and the military, albeit likely tentative and slow, will need to focus on a detailed plan for power-sharing arrangements, the role of the military in future Burmese politics, the rights of minority groups, and appropriate political institutions. Talks must settle whether Myanmar should implement a federal or unitary territorial arrangement, and whether it should practice a single-member district or a proportional representation electoral system. Both parties must also address pressing problems that are currently confronting Myanmar: poor economic conditions, a major health-care crisis, and the dilapidated education system. The junta has addressed some political and economic questions in its draft constitution, but the NLD has taken very few official positions, especially on ethnic minority rights and the economy. The NLD has stated that such specific questions can only be debated under democratic principles, and can only be determined by deliberation and discussions among affected parties. Given this, we can expect that broad terms of agreement will result from the talks, but most issues will be left open for further discussion with other groups.

Working out acceptable political arrangements for all parties will be a challenging task. Any unexpected swerves along the road—a split within the military, escalating tensions with neighboring countries (either Thailand or China), growing irreconcilable ethnic differences, a downturn in the problematic economy—could trigger the return of military rule and, even worse, a

50. See the concern raised by Mary Callahan about whether the government would be able to convince ethnic warlords to turn in their weapons peacefully after the junta’s hand-picked National Convention completes a new constitution. Mary P. Callahan, “Democracy in Burma: The Lessons of History,” Analysis 9:3 (1998), p. 17. There is also the question of trust toward Suu Kyi. She is, after all, Burman, and much of the ethnic discord derives from mistrust of the Burman-dominated central government.
breakdown of society and civil war. Even if the military’s promise of “free” and “fair” elections indeed materializes (either in terms of handing over power to the NLD or holding new multiparty elections), the future popularly elected government must immediately settle Myanmar’s most crucial and fundamental issues in order to clear obstacles along the path to democracy. The military will have a good excuse to impose authoritarian rule again (as it did in 1962) if these challenges are not effectively countered by the new government.