

What next for Burma? - An overview

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With their recent coup d'état the Burmese army hoped for a surgical shift in power that would leave everything else more or less untouched. Instead, the coup has sent the economy into freefall, raised the possibility of international intervention and triggered a political earthquake. The fight is no longer over elections and constitutional amendments. One path leads to dictatorship without end. The other to a revolution whose exact shape is difficult to see. A crumbling economy may send the lives of tens of millions of poor and vulnerable people spiralling into disaster. And what unfolds in Burma may be impossible for the region, perhaps the world, to ignore: a failed state between India and China, at the heart of 21st-century Asia.

Tension had been mounting for weeks. Aung San Suu Kyi, the leader of the National League for Democracy (NLD) and the country's de facto ruler since 2016, won a thumping victory in last November's elections. Taking more than 60 per cent of the vote, she was set to consolidate her hold over Burmese politics, vowing to push for constitutional changes that would limit further the army's once limitless powers.

Her opponents, the pro-army Union Solidarity and Development Party (USDP), claimed massive electoral fraud. The elections were certainly not free and fair. More than a million people, including Rohingya Muslim refugees in Bangladesh, were denied the right to vote and polls were cancelled in several constituencies, most of them with large ethnic minority populations. But according to independent observers, despite these problems, there was little to suggest fraud on the scale alleged.

General Min Aung Hlaing, the army's commander-in-chief, saw an opening. Known to have presidential ambitions himself, he called for an independent investigation and then a special debate in parliament. When his demands were summarily rebuffed by the NLD-appointed election commission, he issued an ultimatum. The generals were angry, felt disrespected, and believed that any climbdown would hand even more power to Aung San Suu Kyi. She and her deputies thought that if they gave an inch the men in uniform would not stop until they had crippled her government.

On 1 February the army arrested Aung San Suu Kyi and other NLD leaders, and declared a state of emergency. They said they would rule for a year, hold fresh elections, and hand authority back to a civilian administration. Within days, Min Aung Hlaing met with business leaders, and promised policy continuity and even a multi-billion-dollar stimulus package to offset the pandemic-induced downturn. He presumably expected a pliant public. The actual response was defiance on a scale not seen in decades.

Demonstrations against the new regime erupted across the country, with crowds in Rangoon by mid-February numbering in the hundreds of thousands. There was a festive atmosphere as people poured onto the streets, individually and in groups, from construction workers in their hard hats and LGBTQ activists to Buddhist monks. A couple in their wedding clothes carried a sign: 'Our marriage can wait but not this movement.' In Rangoon the protests crossed all ethnic and religious lines, some making

a rare show of intercommunal unity.

A public sector strike paralysed the government at national and local levels. On 22 February, defying warnings from the army, a general strike brought businesses to a halt. The leaders of the strikes and demonstrations were overwhelmingly in their twenties and early thirties, young women and men who grew up in the relative freedom of the past decade. They organised over the internet, using VPNs and encrypted messaging apps, adapting tactics honed in Bangkok and Hong Kong. They adopted the three-fingered salute from *The Hunger Games*. Some of them were supporters of Aung San Suu Kyi and the NLD but others had been critical of her government's authoritarian tendencies. And they were all determined to prevent any consolidation of military rule. 'You messed with the wrong generation' was one of their most common slogans.

Then, on 25 February, combat troops surged into Rangoon and other urban areas, men from the 33rd, 77th and other Light Infantry Divisions, including the counter-insurgency units responsible for the ethnic cleansing of Rohingya Muslims in 2016-17. The festive crowds gave way to determined phalanxes of well-organised protesters, many with makeshift shields and goggles to protect against tear gas. The crackdown has been pitiless. Schools and hospitals were turned into makeshift garrisons. Water cannon and rubber bullets gave way to live ammunition. There were internet blackouts, raids on people's homes, arbitrary arrests and beatings. By mid-March close to a 150 people were known to have been killed, many by high-velocity rounds aimed at the head and chest. Well over a thousand have been arrested. Much of the violence was live-streamed by a population now terrorised but also seething with anger. There is little sign of either side letting up and every possibility of a protracted crisis. Economic collapse looks imminent.

Myanmar is one of the poorest countries in Asia, with high rates of malnutrition; nearly a third of children are stunted. For the vast majority there is little access to anything like decent healthcare and tens of thousands die every year from treatable diseases such as tuberculosis. The health impacts of Covid-19 were relatively limited but the economic impact was catastrophic, thanks to lockdowns, disruptions in trade, the disappearance of tourism and a steep fall in remittances from migrant workers overseas. Businesses large and small were already in dire straits by late 2020 with cash to last perhaps another month or two. A survey last October found that the number of people making less than two dollars a day (not a living wage in the cities) had skyrocketed from 16 per cent to 63 per cent of the population. A full third had received zero income over the previous three months. Many were borrowing at exorbitant interest rates, as high as 50 per cent a month, to feed themselves and their children. This was before the coup.

Now the economy has come to a standstill. With banks closed by the general strike, cash is scarce and businesses are unable to pay millions of employees. Most local markets still operate but with transport workers on strike too the prices of staples such as rice and cooking oil have climbed considerably. The garment industry, which employs nearly 1.5 million young women, breadwinners for their extended families, is on its knees. Airports are barely functioning and the ports practically shut. International shipping lines have ceased operations. Essential imports including life-saving drugs and LNG for electricity production will soon run out. Covid testing has stopped and there is no mass vaccination programme in sight.

Ten years ago, Burma's prospects seemed to be looking up. A dictatorship had given way to a civilian government and political freedoms unknown for half a century were restored. Western sanctions were rolled back and world leaders raced to be part of a fairytale that culminated with Aung San Suu Kyi's landslide victory in the 2015 elections. Then came the vicious expulsion of 700,000 Rohingya Muslims to Bangladesh. The West focused on whether Aung San Suu Kyi was still a heroine or a villain. Burma's other key players, the army generals, were relatively unknown. They are now centre stage.

The Burmese army, founded by Aung San Suu Kyi's father, General Aung San, in 1941, has been fighting non-stop since the Second World War: eight decades of combat, in towns and jungles, on tropical islands and Himalayan mountains, burning villages and killing civilians with impunity, taking as well as inflicting enormous casualties. Its enemies have ranged from Washington-backed Chinese nationalist armies in the 1950s to Beijing-backed communist forces in the 1960s, from drug lords to ethnic minorities struggling for self-determination. By the late 1970s most of the fighting took place in the eastern uplands towards Thailand and China. The army became primarily an army of occupation over ethnic minority populations, which every now and then - in 1974, 1988 and 2007 - descended into the cities of the Irrawaddy Valley to crush dissent.

In the early 1960s an army junta ushered in the 'Burmese Way to Socialism', which nationalised major businesses and sealed the country off from external markets. Then from the late 1980s, three things happened: the army rejected socialism and embraced a mix of nativism and capitalism; the West imposed sanctions in solidarity with the nascent democracy movement; and the army's principal enemy, the communist rebels along the Chinese border, collapsed, leaving behind several successor forces with whom the army quickly agreed ceasefires. Trade with China boomed and the mining, logging and illicit narcotics industries near the Chinese border thrived. Some of the money made its way to the lowland economy, to Rangoon and Mandalay, where property prices soared. Wealth inequality reached heights not seen since colonial times. Global oil companies were also exploiting huge, newly discovered offshore gas fields. The generals became rich while also making fortunes for others, at home and abroad.

In 2010 the dictator General Than Shwe, about to turn 80, retired. He had prepared a new power-sharing constitution. The army had wanted this for more than a decade but it had been rejected by Aung San Suu Kyi as undemocratic, since it gave the army control of the security ministries as well as an automatic quarter of seats in parliament. Than Shwe also set up the USDP, which he expected to dominate the political landscape.

The first president under the new system was Thein Sein, a former general. Along with a cabinet of other reformist ex-generals he veered far beyond Than Shwe's script, bringing in the liberalisations that convinced the West that democracy might indeed be around the corner. They angered China by suspending a multi-billion-dollar hydropower project and seeking peace with the ex-communist forces that Beijing had long supported, not through Chinese mediation but with the help of the Europeans, Americans and Japanese. They also opened up the telecoms sector to foreign operators, leading to billions of dollars in investment and a revolution in connectivity. In 2011 almost no one had a phone; in 2016 most people had smartphones and were on Facebook.

To take over as commander-in-chief of the armed forces, Than Shwe appointed the relatively junior Min Aung Hlaing, who had distinguished himself fighting against an ethnic Chinese militia in the north-east. The old dictator had put reformist ex-generals in charge of the government. But he placed the army under a younger military officer with the explicit task of ensuring future military domination.

During the early years of reform, the army took a step back from the economy. Its regulation of foreign trade and access to foreign currency reserves were abruptly ended, the monopolies enjoyed by its companies abolished, and its share of the national budget reduced. Some of its former business partners lost out to foreign competition while others did well in the new more open environment. But few were any longer dependent on military largesse.

In 2015 the reformist ex-generals allowed a free and fair election and respected the results. Aung San Suu Kyi won by a landslide. The ex-generals were swept from office. Than Shwe was long retired. Power was now shared between Aung San Suu Kyi and Min Aung Hlaing. He was in charge

of the army and the police; she, with her majority in parliament, controlled the country's \$25 billion annual budget and managed the economy, healthcare, education, and foreign relations. They were cut from the same nationalist cloth and had many of the same conservative instincts. When Aung San Suu Kyi went to The Hague in 2019 to defend Burma against charges of genocide, she was speaking from conviction as much as a desire to appease the army. There was only one major policy difference: she wanted constitutional change that would place the army - her father's army, as she often said - under civilian authority, in the first instance with her as president. For Min Aung Hlaing the army had to remain above all. Early attempts at co-operation descended into mutual disdain.

In what comes next, China looms large. After the ethnic cleansing of the Rohingya, as relations with the West fell off a cliff, China offered rapidly growing trade as well as multi-billion-dollar investments, packaged as the 'China Myanmar Economic Corridor'. Aung San Suu Kyi was keen to develop the relationship but at the same time cautious of getting too close. Min Aung Hlaing was even warier. Beijing's closest ally in Burma's armed conflicts is the United Wa State Army, 30,000 strong, a successor to the old communist insurgency. Over the past ten years the UWSA has in turn supported new insurgencies, including the Arakan Army, which since 2018 has led the biggest insurrection against the central Burmese authorities in a generation. Hundreds have died and tens of thousands have been displaced.

In recent weeks there has been hope of an alliance between elected NLD MPs (in hiding and now forming a shadow government) and ethnic minority armies. The Karen National Union in particular, operating along the Thai border, has been eager to show its support for the resistance. But the most powerful armed forces are in the north, linked to China. The Arakan Army, after years of fierce fighting, is now in talks with the new regime.

China has three objectives in Burma. The first is to prevent instability, in particular any cross-border fighting or influx of refugees. There are more than a million ethnic Chinese in Burma, and Chinese oil and gas pipelines run across the country. An attack on either would be a nightmare for Beijing. The second is to prevent Burma from becoming a base for rivals such as the US or India. The third is to turn Burma into a corridor to the Indian Ocean. China wants strategic dominance but appreciates the strength of Burmese nationalist feeling. And it holds levers that no other foreign power can match.

In the coming weeks the army will pay little attention to international condemnation or offers of mediation. In a country where millions have travelled overseas to work, the army leadership have travelled almost nowhere and think little of the rest of world. Targeted sanctions from the West will do almost nothing because they misjudge the relationship between the generals and the economy, and overestimate the importance of army-owned companies. The military will be focused on crushing resistance by building a more effective internet firewall as well as cracking down on the streets. But the protesters have shown incredible ingenuity as well as courage and it's hard to imagine the army fully consolidating power. The coming months will probably see continuing strikes, heightened repression, violent resistance, and an agonising descent into needless poverty. The country will remain ungovernable.

In the end, however, some kind of revolution must come. There can be no return to the past. Ending military rule is a start. But democracy alone, if it means only winner-take-all elections and majoritarian rule, is not enough. There needs to be a more progressive agenda for change, across ethnic lines, towards a fairer as well as freer society for all of Burma's peoples.

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P.S.

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