Is Reform in Burma Real?

By Philip Bowring

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Despite moves toward reform, there are many vested interests in Burma that could derail the process — the army, the government bureaucracy, moneyed cronies, and so on. The one thing that is certain is that things remain uncertain.
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A Bumpy but Better Road Lies Ahead

By Philip Bowring

IN HUMAN AFFAIRS the best is almost invariably the enemy of the good. So any view of political conditions in Burma must start not from where one would like it to be but where it was until quite recently. No one can doubt that the country has moved forward over the past 18 months, and however skeptical one may reasonably be about the motives and goals of those behind the changes there is still momentum towards reform.

Of course, there is no certainty that this momentum will be sustained. I can recall feeling similarly optimistic about Iran in the year 2000 when the reforming, relatively open President Mohammad Khatami seemed capable of becoming his country’s version of Deng Xiaoping. It was not to be. Reform not only stopped, but Khatami’s successor proved worse than his predecessor. Likewise, the Arab world today shows the difficulty of replacing failed but entrenched systems.

Still, several factors make Burma’s prospects for both political liberalization and economic reform rather more encouraging. If one is looking for a hopeful parallel it would be better not to look to Iran but to Indonesia in the last decade of President Suharto’s rule. Gradual change in that period helped make possible the transition to an open, plural and democratic society after the 1998 financial crisis caused the collapse of the old New Order — but also left the old regime’s players mostly still standing and able to play important roles in the new politics. Hopefully Burma will not need such a crisis to make a complete transition.

Change for the better in Burma implies that the military, whether formally in uniform or changed into civilian dress, will gradually and for the most part voluntarily surrender much of its political power. Why would it do so? Skeptics naturally conclude that the generals have no intention of giving up real power. Burma’s military leaders do not have the equivalent of the all-pervasive Communist Party of China that would let them maintain political power while reforming the economy and getting rich. Evidently there is a danger that pressure for more democracy will scare today’s power-holders into calling a halt to reform and sending monks and oppositionists back to jail.

So the issue over time will be whether the opposition led by Aung San Suu Kyi can be absorbed into the political structure without threatening the participation of the military power-brokers and while still allowing them to maintain a level of elite privilege in the evolving economic structure.

Several factors are at work here. First, there is a generational change under way. The last junta leader, Than Shwe, is a dour military man brought up in an era of total state control and inward-looking, defensive nationalism that constantly struggled against the non-Burmese minorities who would break up the nation.

In the modern era, military life has less appeal, whatever the power. This is a time when economic growth and growing wealthy are the goals of younger generations. A tiny military elite got rich by access to political power in Burma even as the overall economy remained a basket case. But this narrow elite, with its attendant cousins and offspring, has become painfully aware both of how far their country lags behind the region and the pressure from the rising aspirations of educated people who see the economic progress in China, Vietnam and next-door neighbor Thailand. Burma’s privileged few may rub shoulders with Asia’s moneyed elites, but they dislike being looked down upon by their peers as leeches living off a backward, dysfunctional economy.

For a country like Burma, economic change cannot be divorced from political change. Western economic sanctions are surely hypocritical, but nonetheless their removal is, in Burma’s case, necessary for re-entry into the global economy. That means giving Suu Kyi and the opposition sufficient time and space to operate. A revamped national leadership needs to end overt confrontation with such an immensely popular figure. She in turn must be seen not to spurn the regime when people are looking for a degree of moral acceptance as the only way to finally escape the country’s long years of poverty and isolation. Many of her own supporters saw the boycott of the 2010 elections by her National League for Democracy party as a mistake that is now being rectified. It helps that Than Shwe has receded into the shadows, thus reducing the element of mutual contempt that marked his relationship with Suu Kyi. New President Thein Sein is showing a degree of flexibility, and Suu Kyi has obligingly responded by opening a dialogue with the government.

Even before the political changes brought in by elections and a nominally civilian government, Burma’s early attempts to move from a state-dominated economy towards a form of crony capitalism were already having political consequences. Once some form of privatization is in train, elite rivalries develop, making politics more complicated than in the barracks. A degree of pluralism arrives through the back door.

Freeing the market from bureaucratic controls and making the economic system compatible with Asia’s coherent banking and currency policies will not be easy. But the government has the help of noted economist and long-time regime critic U Myint, who has become a presidential adviser. Increasing revenues from gas projects and the arrival of foreign investment in industries other than oil and gas should also help create a more normal economic system.

Extreme nationalism, so long Burma’s scourge, is also now on the side of change as the nation seeks to ease its dependence on China by balancing relations with India and the West and by aspiring to be a member of ASEAN in more than name. The irony is that one of General Ne Win’s first moves after he seized power in 1962 was to expel huge numbers of Indians who dominated the commercial class; now, many people resent the inroads that Chinese traders have made, especially in Mandalay and the northeast.

A more nuanced nationalism is also making the Burman majority more amenable to compromise with rebellious ethnic minorities. The minorities must also recognize that the country’s improved relations with its neighbors will lead to greater economic development and quiet external pressure to accept the modicum of autonomy that may be on offer.

None of this suggests that there won’t be major bumps in the road ahead. The danger of reversal is there, and neither political nor economic development will move as fast as many demand. But having been cautiously optimistic about the elections in 2010, I have been pleasantly surprised at progress since then. Whatever the short-term setbacks, the fundamental forces are in place for Burma to become a normal Southeast Asian state.

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