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General Election in Myanmar: Neither a Breakthrough nor a Cosmetic Change

Patryk Kugiel

This weekend's general election in Myanmar, the first credible vote in the country's history, will mark a milestone in its transformation. Amidst the faltering peace process, and with Buddhist nationalism rising and economic and political reforms losing ground, the National League for Democracy is most likely to be the winner. Even though the army will retain ultimate control, and NLD leader Aung San Sui Kyi will not be next president, a more representative parliament will consolidate this nascent democracy and deserves strong support from the international community, including the EU.

Historic Election. On 8 November, a general election will take place in Myanmar, for the first time since the country started its transition towards democracy in 2011. More than 6,000 candidates from 93 registered parties are competing for 1,163 seats in two houses of parliament and 14 state or regional parliaments. Of a population of more than 50 million, about 32 million people are eligible to vote. The National League for Democracy (NLD), led by Nobel laureate Aung San Suu Kyi, the icon of democratic opposition, is likely to win the election. Although there are no reliable opinion polls, the NLD is nevertheless very popular among the majority Burmese population. It swept the last free general election in 1990 (although the result was rejected by the then ruling military junta), and won 43 of 45 seats in a 2012 free by-election, or 66% of the popular vote. The ruling and pro-military Union Solidarity and Development Party (USDP) is expected to lose this month's election, but not necessarily to lose power. Much will depend on the results from smaller ethnic parties in non-Burmese areas, representing more than 30% of the population, where the NLD can gain less.

Although Myanmar's first past the post electoral system favours the NLD, the party still may not get the 67% of seats necessary for an absolute majority in parliament. This is the threshold that would allow the NLD to elect a new president, who is both head of the state and leader of the government in Myanmar. This is because, under the current constitution (drafted in 2008), 25% of seats are reserved for the military, and are therefore not contested. Appointments to key positions, such as the ministries of defence, home affairs and border affairs, are also made by the head of the army. Finally, in drawing up the constitution, the generals guaranteed that Aung San Suu Kyi cannot be the next president, on the grounds that her two sons hold foreign citizenship. Despite domestic and international campaigning in recent years, the Constitutional Amendment Bill did not get the 75% of votes required for a change to the constitution when parliament voted on this in June. It confirms that Myanmar's army (Tatmadaw) has designed the transition in a way that gives it ultimate control in the country, regardless of the election results.

Turbulent Transition. A number of other issues may also influence the outcome of the election, and pose a stiff challenge to the next government. First, a civil war between the government and ethnic minorities has continued in recent years. Following months of difficult talks, the Nationwide Ceasefire Agreement (NCA) with Ethnic Armed Organisations was signed on 15 October, but seven out of 15 groups, including the largest insurgent forces (the Kachin Independence Army, the Shan State Army and the United Wa State Army) refused to sign the deal. This means there will be areas in which the security situation prevents voting, and in which the risk of violence is high. Peace remains elusive, and internal conflict can flare up again in the near future, as it has done many times in the past.

Second, the easing of authoritarian rule has given rise to inter-religious tensions in this diverse society, and fuelled Buddhist nationalism. The numerous Muslim minority of Rohingya has been denied citizenship, and has been the target

of discrimination campaigns and violent attacks since 2012. This has cost hundreds of lives, and some 140,000 people from Rohingya have been forced to flee to refugee camps and abroad. Neither the authorities nor the opposition have condemned this discrimination unequivocally. This year parliament adopted four controversial bills aimed at the “protection of race and religion,” which could further alienate Muslims and hard-line Buddhist organisations, such as when Ma Ba Tha campaigned for USDP.

Third, Myanmar despite some progress, still faces huge development needs. Economic reforms, the end of international sanctions, and the inflow of FDIs have boosted Myanmar’s economy. In the fiscal year 2014 to 2015, foreign investment reached \$8.1 billion, in comparison to the \$329.6 million of 2009 to 2010. The economy grew 7.8% in 2013, and 8.5% in 2014, which was the fastest in Asia. Yet Myanmar is one of the least developed, most corrupt countries, and liberalisation of the economy may further widen inequalities. The main beneficiaries of economic reform are the members of the former junta, who also profits from trade in mineral resources, timber, drugs, and so on. It is estimated that, in 2014, the jade trade alone was worth about \$30 billion, nearly half of the country’s entire GDP. Such large vested economic interests mean the military has no reason to allow further democratisation of the country.

Fourth, after a promising start to transition, the pace of reforms has recently lost momentum. Several dozen political prisoners are still being held in Myanmar, and there are again more restrictions on freedom of expression, assembly and association. Moreover, human rights groups and the UN have raised concerns about the fairness and quality of the election process. Myanmar’s electoral commission disqualified more than 60 candidates, most of them Muslims, and 760,000 people have been denied the right to vote, including not only Rohingya Muslims but also people of Chinese and Indian descent. Shwe Mann, speaker of the lower house, was removed from his position as head of the government party USDP because he was perceived as being too close to Aung San Suu Kyi.

The EU’s Role. The EU supported transition in Myanmar in 2012 and has since lifted sanctions (apart from the arms embargo), reinstated Myanmar’s access to the Everything But Arms trade preferences, and identified peace, democracy, development and trade as the main areas for EU policy until 2015. Myanmar was assigned €688 million for 2014 to 2020, which represents the second largest bilateral development cooperation envelop in Asia. The money was earmarked for assistance in four priority areas, rural development, education, good governance, and peace-building support. Bilateral trade in goods rose from €319 million in 2011 to €885 million in 2014 (still only 2.3 % of Myanmar’s total trade). In March 2014, the EU launched negotiations for an Investment Protection Agreement that would offer EU investors key guarantees and encourage more companies to invest in the market dominated by China. For the first time, the EU also deployed an Election Observation Mission with more than 100 members, to oversee the election process. Its preliminary statement, due to be issued within 48 hours after election day, will play major roles in deciding on the credibility of the election.

Many EU Member States have expanded their engagements in Myanmar. Among them, Poland was one of the first countries to support transition and pay high level visits. It started modest development programmes, focused on strengthening civil society and media, and opened diplomatic representation in Rangoon. There are a few Polish NGOs present in Myanmar, and some companies are exploring the economic potential for cooperation, though trade is still abysmally low (\$32 million in 2014). This engagement will continue in the future, as Myanmar has just been recognised as one of 10 priority partners for Polish development assistance in the new multiannual programme for 2016 to 2020. The aid will focus on enhancement of human capital, and entrepreneurship and the private sector.

Conclusion. After the election Myanmar may enter a turbulent and delicate moment in its transition, as the new parliament will struggle to elect a president by March 2016. Aung Suu Kyi promises to lead the country after the elections, and may challenge control by the military. If a relatively fair and transparent election gives the NLD a landslide majority (333 seats or 67% of the total on offer), it may unilaterally select the new president, selected by Aung Suu Kyi. If it fares worse it will require difficult negotiations and trade-offs, which could hand incumbent Thein Sein yet another term as president, or which may result in a compromise candidate (for instance, Shwe Mann).

In the end, the army is the force that calls the shots, and transition will continue for only as long as the generals allow. This does not mean that the elections are irrelevant. A new, more representative parliament will be able to repeal repressive laws, enhance civilian control over the country’s affairs, nominate senior officials and take the next steps in democratic transition. The new government will need to continue the peace process, address the grievances of ethnic and religious minorities, promote inclusive development, and move on further reforms. Regardless of the outcome, one can assume that Myanmar will continue its slow transition to “disciplined democracy.”

Although this is far from ideal, the international community must focus on consolidating the gains of recent years and prepare for a long process. Outside pressure is crucial in order to prevent a scenario similar to that of 1990, and to support the smooth transfer of power to the new administration. The EU must step up cooperation with the new leadership and engage more closely with other regional players, such as China, India and Japan, which have more leverage over Myanmar, while continuing aid and concluding the investment protection agreement in order to boost capital inflow. Poland should step up its development assistance, and strengthen economic and political dialogue.