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## Myanmar after the 2015 Election: Challenges Facing the New Administration

Dr. Amrita Dey  
amritadey27@gmail.com

The National League for Democracy (NLD) won a landslide victory in Myanmar's general election on 8 November, 2015 and formed the government at the Centre with Mr Htin Kyaw - a close ally of Daw Aung San Suu Kyi. Mr. Kyaw now serves as the first civilian President of the country after the quasi-civilian government of President Thein Sein and the military who ruled the country for more than four decades. In its 28-paged Manifesto, the NLD pledged to:-

- i. amend the 2008 Constitution;
- ii. hold political dialogue to address the root causes of ethnic conflicts;
- iii. revamp the education system of the country;
- iv. and commit to increase the health budget.

The aims also include strengthening and improving the transparency of financial institutions, bringing more foreign investment and promoting development of transport and infrastructure. It also keeps an eye on sustainable development and maintaining the nation's ecology that remains wary of extractive industries.

However, the speed of actual implementation is taking far too longer time than expected. The current government is still grappling with the 2008 Constitution which bars anyone with a foreign spouse or children from assuming the top job of the President. Although Daw Suu has put herself "above the President,"<sup>1</sup> the present system has gotten messy with a puppet President at the Centre. Proof of indecisiveness lies in the fact that a 100-day plan of the Government has not been released yet. The government seems to be in a "fix" in merging 36 ministries into 21 to create a more streamlined administration.<sup>2</sup> Further, the military i.e. Tatmadaw, is still a factor in the administration as it controls three powerful departments—defense, border security and home affairs. Through these ministries, the Tatmadaw may use its veto power to disband the Parliament, impose martial law and take the country in its stride if need be. The 2008 Constitution (Sections 109, 141 and 161 of Chapter IV) guarantees the *Tatmadaw* 25 percent of the total seats in State and Central Legislature, which effectively pre-empts any attempt to amend it without their consent.<sup>3</sup> Myint Swe, a former Presidential candidate nominated by the military came second to Htin Kyaw

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1 Oliver Holmes, Aung San Suu Kyi set to get PM-type role in Myanmar government, 1 April, 2016. [www.theguardian.com](http://www.theguardian.com).

<sup>2</sup>"Not clear yet," *The Economist*, 21 May 2016

<sup>3</sup>"Why Myanmar's path to democracy will be bumpy," *The Economist*, 3 April 2016

and will now serve as one of the country's two Vice-Presidents (Henry Van Thio, an NLD candidate, being the other).

Other issues bugging the government involve the problematic Nationwide Ceasefire Agreement signed in October, 2015 (NCA) between the previous Thein Sein Government and eight (8) of the country's ethnic armies. While negotiators have always maintained with reporters that only few points of disagreements remain, recent attacks by Konkang rebel leaders on the Burmese Army around Laukkai have negated all claims to peaceful settlement of ethnic problems in the country. The Laukkai incident also drew in Kachin, Palaung and Arakan Armies, all of whom have long standing grievances with the Central Government. The present NLD government has given the call for a Panglong-styled conference by end-August 2016. It is a welcome sign but it has promised to attach greater importance to the "Panglong Spirit" rather than to the Agreement signed in 1947.<sup>4</sup> The Panglong Spirit, is similar to the one proposed by the previous quasi-civilian government, calling on ethnic communities to "give up arms and return to the legal fold" as one of the clauses for the ceasefire agreement of 2015. And it has nothing to do with ethnic communities urge for self-autonomy/federalism. Daw Suu has to engage in a balancing act to map a new road to 'one Burma' as once envisaged by the founders of the country.

Regarding the Rohingya issue, the Counsellor, Daw Suu in a joint Press Conference with US Secretary of State John Kerry on 22 May 2016 urged for more "space" to fruitfully engage with the same. The Current Government announced a 27-member Central Committee for the implementation of Peace, Stability and Development of Rakhine State chaired by the Lady. The Committee includes ministers from the Union as well as State levels to look into the matter. In Daw Suu's own words, "Emotive terms make it very difficult for us to find a peaceful and sensible resolution to our problem." Although Suu's Government recognizes the need to address the problem of citizenship for Muslims in Rakhine state without forcing them to self-identify as 'Bengalis, the new Committee must proceed very carefully to bring practical solutions to quell the tension. They have to make sure that any economic development projects in Rakhine will deliver equal justice to both Muslims and Buddhist communities. The move towards providing citizenship to these people must not result in widespread mainstream backlash spearheaded by nationalists of the country.<sup>5</sup>

On the economic front, Myanmar's next generation of leaders have promised to take responsibility for creating a clear and distinctive path to growth. It passed a raft of new legislation that underscores the nation's commitment to attracting foreign investment and assisting such investment in key sectors<sup>6</sup>. Earlier, the high cost of starting businesses in Myanmar had been a barrier to private sector investments in the country. In an encouraging sign the new government has cut registration fees for private companies by 50 percent since 1<sup>st</sup> June, 2016<sup>7</sup>. It also amended

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<sup>4</sup> Moe Gyo (13 July 2016), "Panglong II: What's in it for Burma's ethnic minorities?," <http://www.burmanet.org/news/2016/07/13>

<sup>5</sup> Murray Hiebert (10 June 2016), "Aung San Suu Kyi Sits out to Find 'Practical Solutions' in Rakhine State and the World Should Help," [www.csis.org](http://www.csis.org).

<sup>6</sup> *ibid*

<sup>7</sup> Based on the Announcement of Revised Registration Fees for Company registration floated by the Directorate of Investment and Company Administration, [www.dica.gov.mm](http://www.dica.gov.mm).

the Mining Law, 1994, Banking and Financial Institutions Law in January, 2016. The Government granted a second round of licences to foreign banks, including the Bank of Investment and Development of Vietnam, the State Bank of India and Sinhan Bank of South Korea. It revised the 2012 Investment law with important features for foreign investors. These amendments will now allow foreign investors have same rights as domestic investors with respect to establishing companies, buying companies, expanding them within Myanmar or across borders and in managing and hiring.<sup>8</sup>

As the US sanctions are still in place and Myanmar has been afforded a “last-mover advantage”, unique to Asia’s developing economies, the Current Government faces tremendous obstacles on its road to development. The electorates have high expectations from the NLD Government—whether it be in building economic capacity, jobs and infrastructure, to dismantling “generation-deep” systems of cronyism, deprivation, corruption and violence along the length and breadth of the country. It needs to do things newly and not repeat the mistakes of the past. It has to draw a balance between these two with practical and sustainable solutions. Here it’s good to recall the Buddhist principle of *Majjhima Patha* that the country traditionally abides by—the middle way or the golden mean hinging on the path of forbearance and mutual co-existence and compromise.

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<sup>8</sup> “Myanmar’s historic transition: Implications for foreign Investors,” [www.allenoverly.com](http://www.allenoverly.com), March 2016.