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Myanmar's election: signs of a 'Burmese Spring'?

By Julia Bader and Dr. Mark Furness,
*German Development Institute /
Deutsches Institut für Entwicklungspolitik (DIE)*

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Myanmar's election: signs of a 'Burmese Spring'?

Bonn, 2 April 2012. It has been a long wait for spring in Myanmar (also known as Burma), and the 1 April parliamentary by-elections have created high expectations that democracy will blossom after decades of authoritarian rule.

The stakes are high: the elections offered inspirational opposition leader Aung San Suu Kyi a second chance to successfully gain a parliamentary seat after her party boycotted the 2010 elections and was banned. The international community was also paying close attention. Aung San Suu Kyi's fate will be decisive as to whether the United States and the European Union will lift sanctions, a move which would clear the way for development aid to the Myanmar government. Several high-ranking delegations from both continents have visited recently, signalling both support for recent reforms undertaken by the new "civilian government" and the increased interest of Western businesses to invest in Myanmar's underdeveloped economy.

While the US is expected to move slowly because of the 2012 presidential election in November, the EU is ready to go further. It recently suspended travel bans, announced that it will open an office in Yangon and promised € 150 million in top-up aid to non-governmental organisations operating in Myanmar in the next two years. Remaining restrictive measures on Myanmar are due to expire on 30 April 2012.

There is, however, a sense that the EU has decided to support the Myanmar government's reforms without a clear idea of the best strategy for doing so. Should it suspend all sanctions at once, or lift them gradually? Should it offer preferential access to the EU market through the Everything But Arms initiative? Should it increase aid while leaving economic sanctions in place? These questions echo a broader debate in Brussels on how to use development aid as an incentive for good governance and democratic transition. They also reflect uncertainty about how the situation in Myanmar

will evolve and the concern that recent reforms could easily be reversed.

A rocky road to democracy

Even if one wants to believe in the reformist commitments of President Thein Sein, it is legitimate to ask whether he will be able to fulfil his promises, especially given his military background. Aung San Suu Kyi's endorsement has helped the President convince the outside world of his progressive mindset. Nevertheless, the remaining obstacles are huge, ranging from internal splits in the government to the limited capacity of the state's organs to draft and effectively implement new laws. There are also several unresolved ethnic conflicts that threaten the country's stability.

Certainly, the road to democracy is long and stony. Yet, experience shows that prospects for democratisation are best when it is induced from the inside, and this is clearly happening in Myanmar even if it is still very early days. The dilemma for the EU is that Myanmar's reformers are in need of timely support to maintain the momentum of change, while, at the same time, it may be prudent to hold back concessions in case reactionary fractions regain power. And yet such a risk-averse approach is only likely to save Western blushes if reforms fail. On balance, lifting sanctions and restarting development aid to Myanmar is the right approach.

How the EU can best support the reform process

There are strong arguments for lifting remaining sanctions at once, and for using positive incentives instead of negative ones. Most importantly, sanctions on Myanmar did not have any effect on the leadership in the past, so we should not expect them to be meaningful in the future. Second, a complete suspension of sanctions could help the reformers to break resistance among cronies in the military whose vested interests are threatened by economic reforms. Finally, it is usually the popula-

tion which suffers most from economic sanctions, both in terms of the worsening human rights situation and economic hardship. Timely improvement in the living standards of Myanmar's people is essential in order to prevent popular unrest. Nothing would deliver a better excuse for the hardliners in the government to resort to repression than riots on the streets.

It is good news that the outside world is willing to help support Myanmar. However, democratic transition is hard. It is inevitable that sooner or later, setbacks will occur and external money, regardless of its intention, could be seen as contributing to the return of repressive rule. It is therefore of crucial importance that European support on the ground is coordinated with other external actors so that bumps in the road can be negotiated in a coherent manner.

This means Europe must acknowledge the pivotal role of the Association of Southeast Asian Nations (ASEAN), which is the peer group for Myanmar's leaders. Thus far, the success of ASEAN's approach of engaging Myanmar has been mixed, but on balance it has been more effective than the isolation favoured by the West. There are parallels here with the EU's own enlargement process, where the membership prospect has been the strongest

incentive for reform. ASEAN's leaders accepted Myanmar's application to chair the association in 2014 in order to increase pressure on the Junta, thereby risking international criticism if Myanmar did not live up to expectations. Recently this strategy has worked well.

If elections scheduled for 2015 are to be credible, then EU support for political reform and state capacity-building needs to start now. There is money available following recent decisions to cut aid to Asian countries that are further along the development path. Myanmar would be a good case for EU member states and the European Commission to use joint programming to develop a single EU strategy negotiated between the Myanmar government and a lead EU partner. This may seem obvious, but EU member states have thus far been reluctant to coordinate their bilateral activities, especially in high-profile cases. The Commission can afford a longer planning horizon than member state aid agencies and it can be braver in using budget support (cash transfers to boost the state budget) to incentivise change in difficult partner countries. These measures would improve efficiency, increase predictability and lower transaction costs for the Myanmar government. If ASEAN can take risks, the EU should too.



Julia Bader
*Deutsches Institut für
Entwicklungspolitik (DIE)*



Dr. Mark Furness
*Deutsches Institut für
Entwicklungspolitik (DIE)*