CHAPTER-5

DEMOCRATIC CONSOLIDATION IN INDONESIA AND PROSPECTS FOR DEMOCRATISATION IN MYANMAR

Trends for democratisation as discussed in the previous chapter provide us with an understanding of the significant variables—external as well as internal—accountable for the erosion of New Order legitimacy and democratisation in Indonesia. Furthermore, important variable responsible for leading Myanmar into the preparatory stage of regime transition have also been identified. In this context, the present chapter looks into the progress made by Indonesia and its move into the third stage of democratisation, viz. consolidation stage. The chapter, therefore, studies the consolidation of democracy in Indonesia. It further probes into the experience of Myanmar and underlies the reason for continuation of impasse. Probable role of Indonesia in its democratisation has also been examined. It also explores the prospects for democratisation in the country. The chapter is divided into two major sections. The first section looks into the key factors responsible for democratic consolidation in Indonesia. Section two elaborates on the ongoing struggle for establishment of democracy in Myanmar and the road ahead.

Noted observers of trends in democratic transition consider that the last quarter of the twentieth century may prove to be “the greatest period of democratic ferment in the history of modern civilization” (Diamond and Plattner 1996: ix). Hence, a perusal of literatures on the third world democratisation in the last decade of the twentieth century focuses on the processes through which authoritarian regimes have been undermined by varied pressures for change. In fact, encouraging political transition that provides space and peaceful evolution for all elements of a society is an extremely complex proposition. No two cases are the same and no single element of democratic behavior, such as the formation of political parties, elections, religious freedom, free markets, freedom of the individual, racial and gender equality, can provide a way out. Therefore, social, economic, and political developments must be comprehensive enough to lay the foundations for a stable pluralistic government.

When stages of democratization as described by Shin are applied to Indonesian case, it can be concluded that Indonesia has passed the declining of authoritarianism or
preparation state, and has completed the transition phase, but, consolidation to democracy is still not complete. Growing demands for freedom and democracy in the preparation phase ended with the fall of Soeharto. Theoretically, the process is followed by a transition phase, where a new government takes power after legitimate elections. "The current process of consolidation in Indonesia has fallen into 'a gray area' of democracy that is neither clearly democratic nor clearly undemocratic" (Diamond, 2000: 414).

Usually, in the consolidation phase, democratic values spread and take hold in society. In Indonesia, however, these values have not become fully embedded yet. If consolidation is about persistence of a democratic system then Indonesian democracy has consolidated, albeit operating at a level of low quality. Indonesia’s fragile democratic experiment is threatened by multiple crises. The pillars of the New Order regime are still surviving. The opposition is relatively weak; corruption is rampant; problems of unemployment; societal and racial violence has taken heavy toll on the regime. This has prompted a re-examination of the military’s role. Dwifungsi as a concept has, however, been challenged as an emerging middle class and a growing popular political movement have started to demand democratic reforms, including the military’s withdrawal from politics.

5.1 Democratic Consolidation in Indonesia

Transition in any country is always weighed with stress, strains and uncertainties, and can never be expected to be smooth and orderly. In this context, Indonesia serves as an important example for the countries of the Southeast Asia because democratisation in Indonesia has taken place in the midst of severe economic crises when legitimacy had been knocked out of the whole economic and political structure resulting in the decline of the states’ capability in the allocation of resources and maintenance of order. Nevertheless, considerable progress has been achieved by Indonesia since its transition to democracy began in 1998. The country has adopted wide-ranging, fundamental constitutional reforms, including direct election of the President, Vice President, and Provincial Governors (Liddle and Mujani 2006: 132, 136; Malley 2003: 139; 2002: 127; Sebastian 2004: 258). Creation of the Constitutional Court and a legislative chamber that represents the interests of the provinces have improved checks and balances and helped
pave the way for decentralization. Indonesia’s post-colonial history; experience of liberal
democracy during 1950s; the ideas and political practices of pluralism, freedom and
liberalism; and the spread of globalisation during 1980s and the 1990s have touched upon
many layers of society leading to an upsurge of the so called pro-democracy movement.
A country encountering the rush to democratisation, such as Indonesia can serve as an
important source of inspiration for other countries of the region.

After years of stability brought about by authoritarian political system, Indonesia
has moved from an autocratic to a more democratic and participatory political system and
society. Political and social changes in post Suharto era posed a number of challenges to
the new regime (Manning 2000: 10). Curtailment of military’s role in politics; building a
stronger civil society; strengthening of institutions to promote equity and social justice;
resolving ethnic conflicts and tensions in centre periphery relations; complex issue of
decentralization; pace of economic recovery; and democratization of elections, political
parties and mass media—are some of the indicators to study the progress of the regime
towards democratic consolidation. Viewed more systematically, these moves towards
deeper consolidation of power have been rooted in five related trends. First, emergence of
a multi-party democracy through electoral reforms; second, the decentralization of power
brought about in 2001; third, the new confidence of Indonesia’s emerging civil society;
fourth, proliferation of political parties and mass mobilization; and finally willingness of
the armed forces to demilitarize politics. In the following section these indicators of
transition has been analysed to study its performance in Indonesia.

5.1.1 Key factors for analyses

5.1.1.1 Elections

The transition from an authoritarian to a democratic government has not been
smooth and easy, but undeniably, some progress has been made (Antlov 2004: 1-17;
1999 national election in Indonesia has been heralded as a benchmark for the transition
towards democracy. President Habibie made a breakthrough by conducting a democratic
general election in 1999, the first since the 1955 elections (Hadiz and Robison 2005:
231). This was the first free and fair election in Indonesia for more than four decades. But
it was only two years since last election was held and thus, was in many ways similar to
the 1997 election. But, also there were a number of crucial differences—particularly,
regarding the role of the political parties and the way campaigning was done (Antlov
2004: 125). A major innovation of 1999 was that the election was no longer conducted
under the auspices of the Indonesian executive branch but by the political parties
themselves (Sebastian 2004: 256). Another new regulation was the Presidential decree
5/1999 according to which civil servants were no longer allowed to join a political party.
This decree literally signified the end of the mono-loyalitas of civil servants which in the
past had forced them to support Golkar (Antlov 2004: 125).

Although, the 1999 elections eventually resulted in end of Habibie’s presidency, it
paved the way for the creation of a more democratic society in Indonesia. In 2004,
President Megawati Soekarnoputri made another milestone by successfully implementing
the first direct presidential election. Unfortunately, similar to the fate of the former
President Habibie, the direct presidential election also took her presidency away. There
were three sets of elections in 2004 (Tan 2006: 91; Ananta and Riyanto 2006). The first
in April was the parliamentary election for the country’s legislative bodies. The second in
July, was the first round of the direct presidential election. As no candidate secured over
50 per cent of the vote, a run off election was held in September 2004 between July’s top
two finishers (Tan 2006: 91). The huge amount of money was spent on preparations,
campaigns and voting in these elections and their multiplier effect have significantly
contributed to economic growth in 2004 (Ananta and Riyanto 2006).

Since the Parliamentary and Presidential contests of 2004, Indonesia has
embarked on another election project. It included the nationwide democratic elections of
local government for the first time in Indonesian history (Tan 2006: 96; Liddle and
Mujani 2006: 132). The elections were held in June 2005 and continued till 2006. In
separate elections held throughout the year, approximately 180 governors, district heads
and mayors were directly elected in a peaceful manner (Liddle and Mujani 2005: 136).
With Indonesia launching its massive decentralization project, the sub-national authority
is now concentrated in the country’s kabupaten (districts) and kota (cities) (Rieffel 2004:
100-101). The implementation of local elections had been more difficult than the ones at
the national level. The difficulty is partly due to lack of experience by the heads of the
local governments and their societies in conducting elections. These local elections have also created "democratic feasts" at the local levels (Ananta and Riyanato 2006). The elections involved a huge amount of money spent on producing sophisticated campaigns and the hiring of consultants, pollsters and activists. The economic multiplier effect of these 'feasts' have contributed to growth of the regional economies in 2005 and 2006 (ibid). This is yet another crucial milestone towards a fully democratic society in Indonesia. The democratization process in Indonesia is also reflected in the passing of the two regional autonomy laws by the Parliament in 1999\(^9\). These laws aimed at bringing the government closer to the people and creating a more efficient, accountable, and responsive government.

5.1.1.2 Decentralization

Indonesia’s trajectory can only be understood in relation to the reorganization of power since the fall of Suharto in 1998 (Hadiz 2004 b: 631). It marked the beginning of a new relationship between the central and sub-national government. Already weakened by Asian financial crisis of 1997, the Central government was even more fragile after weeks of political instability that accompanied Suharto’s resignation. The increase in violence and protests in favour of reform and democratization expanded to the regions after Suharto’s downfall (Bertrand 2004: 201). The Indonesian state responded to such conflicts and the perceived risk of fragmentation by decentralizing power as a means of ensuring that local elites and citizens would see the benefits of remaining within the country. Indonesia’s governance framework was radically decentralized and center-periphery relations were fundamentally redefined (Clark and Barren 2006: 3).

Habibie introduced two new autonomy laws on political devolution and fiscal decentralization (Clark and Barren 2006: 3; Bertrand 2004: 201; Malley 2002: 129; Hadiz 2004 b: 620). Law 22, 1999, on regional government established a new framework of political and administrative institutions at the provincial and district levels. It grants broad political autonomy to the country’s district (kabupaten) and city governments, which previously were answerable to provincial governments and then to the Ministry of

\(^9\) The first law was Law No. 22, which dealt with the devolution of government authority, and the second was Law No. 25, which dealt with fiscal decentralization.
Home affairs (Malley 2002: 129; Bertrand 2004: 201). Later revised as Law 32 of 2004, it grants autonomy to the some 370 (rural) districts (kabupaten) and 80 (urban) municipalities (kota) to manage services and duties. Similar to a federal system, finances, legal system, foreign affairs, defence and religion were retained at the national level, while the authority over roads, harbours, and other “areas of strategic national interest” were being transferred to the provincial level—an administrative arm of the central government. Districts and municipalities were given authority over remaining functions, including health care, education, public works, cultural policies and natural resources management (Antlov 2007: 4). The districts were given authority over all functions except national defense, international relations, justice, monetary and fiscal policy, development planning and management of natural resources (Bertrand 2004: 201).

Law no. 25, 1999, provided for fiscal decentralization. It obliges the Central government to transfer large amounts of financial resources to local governments to enable them to exercise their new political autonomy (Malley 2002: 129; Bertrand 2004: 201). A new law no. 34 was introduced in 2000 that greatly expanded the scope of the taxation powers of the local governments. These laws were passed to forestall more radical demands for autonomy or even independence (Malley 2002: 129). These developments have helped to make contest over local power in Indonesia more important than they had been in decades under the heavily centralized New Order (Hadiz 2004 b: 620). Laws 32, 33, and 34 of 2004 cemented this decentralization process (Clark and Barren 2006: 3).

The authorities of Indonesia have attempted to decentralize its administrative structure to the lower level of government keeping in view its diverse characteristics, culture, natural and human resource endowment (Perdana and Friawan 2007: 13). Since the decentralisation policy was carried out in such a rapid fashion—to shift authority and responsibility away from Jakarta and into the regions—that observers have characterised Indonesia’s decentralisation approach as resembling that of a ‘big bang’ (Hadiz 2008: 2). The decentralization that has occurred since 1999 has been a powerful force in shaping local politics. It has sparked dramatic increases in political participation at the regional and local levels. This participation is increasingly focused less on national issues and more on local ones (Perdana and Friawan 2007: 13; Rasyeed 2004: 683). Parties and
district legislatures are under pressure to improve their performances. Thus, decentralization has been a part and parcel of the re-organisation of the relations of power in Indonesia—nationally and locally (Hadiz 2004 b: 631).

5.1.1.3 Civil Society

The stimulus for democratization, and particularly the pressure to complete the process of consolidation, has typically come from the “resurrection of civil society” (Diamond 1994: 4). In the wake of ten years of dictatorship under President Sukarno and more than three decades of authoritarian rule under President Suharto, the country’s political institutions turned out to be weak (Rieffel 2004: 98). Suharto’s New Order had systematically pursued a policy of disorganizing civil society, effectively paralyzing most independent capacity for self organization among groups like urban middle class and the working class (Hadiz and Robison 2005: 232).

Throughout the New Order, territorial units routinely undertook measures “to prevent political parties, NGOs, trade unions; student organizations and religious groups from challenging the regime” (Crouch 1999: 145, quoted in Callahan 1999). One of the sources of opposition and criticism in the New Order era were non-governmental organizations (NGOs). While some NGOs operating during the New Order had their precursors in the 1950s and early 1960s, former student activists set up many important groups in the early 1970s. They were disenchanted, in particular, with the New Order’s authoritarian tendencies and its technocratic top-down model of economic development, which NGO leaders felt neglected the needs and capacities of the ordinary Indonesians. With political parties and mass organizations effectively domesticated, NGOs emerged as an alternative vehicle to voice the aspirations of the poor and the powerless.

The sudden collapse of the New Order—and the central role of the mass public demonstrations in bringing it about—gave a new political confidence to Indonesia’s civil society while significantly weakening the military’s political position and self confidence (Robinson 2001: 245). One change has been the empowerment of Indonesian civil society after the prominent role it played in the demise of Suharto’s New Order regime.

The newfound freedom and openness in Indonesia and the public’s vehement opposition to the military’s role in politics have become crucial in preventing any
opportunity for the military to intervene into politics (Lee 2000: 701). The social
dimensions of the changing political format in Indonesia have considerably strengthened
the civil society (Manning 2000: 7). As a result of reformasi, new bodies sprang up to
represent the interest of the disadvantaged against corrupt and inefficient bureaucrats and
politicians. Environmental groups, particularly, those concerned with Indonesia’s fragile
ecological balance, began to play a more prominent role in national and provincial
politics. New legislations were also passed to bring about reforms in the management of
economic and social processes, freedom for trade unions, press, civil society and
decentralization related laws. The civil society based organizations in Indonesia have
been heavily supported by the decentralization programme (Hadiz 2004 b: 621).
Indonesian NGOs envisage decentralization as integral to political reforms that could
give a genuine voice to marginalized sections of society. Since they are suspicious of
market-based solutions, they are more attracted towards rhetoric of community
participation inherent in social capital. Antlov (2007: 3) argues that a good
characterization of the state of democracy is the petition in Jakarta Post on 31 May 2007
in which 46 prominent civil society leaders and democracy activists described that “we
have turned Indonesia into a country with the widest and most vibrant democracy in
Southeast Asia”.

5.1.1.4 Political Parties

The political parties are seen to be forming one of the integral arenas of
democratic consolidation (Linz and Stepan 1996). Consolidation requires political parties
to build a new system of competition for political office (O’Donnel and Schmitter
1986:57, 58). They see party as the modern institution for structuring and aggregating
individual preferences (ibid: 58). Examining the process of democratic consolidation in
Indonesia Tan (2006) looks into the performance of Indonesia’s political parties since the
fall of Suharto. He describes Indonesia’s political parties both as—strong and weak in
certain ways (Tan 2006: 110). A key criticism of Indonesia’s democratization to this
point has been the weakness of accountability—and importantly, this is often associated
with weak party system institutionalization (ibid: 111). All things considered, the 2004
elections and 2005 regional elections represents a step towards further de-
institutionalization due to primacy of personalities in the direct elections of the President and the regional heads (ibid: 89).

The direct presidential polls in 2004 saw the beginning of ideological polarization in Indonesia’s new multi-party presidential system. Several Islamist party, were a part of People’s Coalition. This contributed a disproportionate number of ministers to Yodhoyono’s ‘United Indonesia Cabinet’ (Liddle and Mujani 2006: 134). Yudhoyono’s landslide win over these established and discredited political parties, including Suharto's former party, military-backed Golkar, reaffirmed the strength of moderate Islam in Indonesia (Rieffel 2004: 99). The Islamist PPP joined the National Coalition before the run-off presidential election but switched to the People’s Coalition after the election. There was also increased focus on the links between Islam and democracy, and Islam and terrorism (Kingsbury 2007: 156). With the Vice President Kalla’s election as chair of the Golkar, he now became the leader of the largest party in Parliament, with more than twice as many seats as Yodhoyono’s Partai Democrat (Liddle and Majuni 2006: 135). However, following signs of internal tensions in 2006, Yudhoyono’s alliance with Vice President Jusuf Kalla in 2007 became increasingly strained. The friction involved a range of issues, including Yudhoyono’s taking increasing control over economic matters and cabinet reshuffle (Kingsbury 2008: 39).

Indonesia's biggest and longest-serving party92 Golkar in Indonesia's post-Soeharto party system has built up a new "dual identity" (Tomsa 2007: 80). This new identity features elements of both conservative status quo attitudes and progressive reformism, and it has helped the former regime party to maintain its surprisingly broad electoral appeal. This has been largely attributed to the role played by the mass-media in Indonesian politics. According to Tomsa (2007: 77), Golkar has used the media to maintain its strong position in Indonesia's post-Soeharto party system. Furthermore, in the words of Kingsbury (2005: 118), "the media in Indonesia became increasingly influential in the post-Suharto period, but they were and remain one influence among many". Thus, the ongoing initiative for media independence and political party reform

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92 In 2004 the Golkar Party emerged as the strongest party in Indonesia's second legislative election of the post-Soeharto era. With 21.58 per cent of the vote the party, which between 1971 and 1998 had served as the electoral vehicle of the authoritarian New Order regime, finished on top of the voting tally, even though it had actually lost some votes in comparison to the 1999 election.
forms the essence for development of sustainable democratic institutions and restructuring.

5.1.1.5 Reform of Armed Forces

One key institutional actor in this transition process is the military. As the backbone of Soeharto’s authoritarian regime, the military has been a primary target of public anger in the post Soeharto era. There has been mounting pressure for the Indonesian armed forces to end their role in politics (Lee 2000: 692). The reform movement sought to return the troops to the barracks, to hold leaders accountable for their human rights violations and to eliminate the military’s prominent political role.

In an attempt to demilitarise politics and depoliticise military, significant progress has been made (Huxley 2002: 17). This has been visible in four related trends: First, in Indonesia, the exclusion of active military personnel from government and the gradual reduction of military representation in the legislature were important steps in the formal depoliticization of the armed forces (Meitzner 2006: 12). Thus, the ABRI seats were reduced in Parliament from 75-38 and this was followed by the subsequent reduction in the executive (Sebastian 2006: 332; Kingsbury 2003 a: 164; ICG 2001: 4). Second, role of the Parliament at the national and local levels have increased dramatically. This has been visible in the decentralisation laws passed in 2001 and the subsequent constitutional amendments in 2002 (Malley 2003: 139; Rieffel 2004: 99; Sebastian 2004: 250). Indonesian military dominated virtually every layer of political and social life down to the village through its territorial command structure (Akkoyunlu 2007: 48). Third, emergence of a multi-party democracy and subsequent reduction in the role of military in 1999 and 2004 elections (Liddle 2000: 36; Sebastian 2004: 258-259). Finally, rise of the reform minded civil society and NGO movements which speak out against the very essence of the military’s long standing mission dwifungsi and kekaryaan. They also demanded full investigations into past human rights violations, and the punishment of

93 Democratic Reform Support Program (DRSP), is assisting Indonesia in its commitment to create a stable democracy through open institutions, citizen participation, and effective local governance. DRSP is funded by the United States Agency for International Development (USAID). It collaborates with civil society organizations (CSOs) throughout Indonesia to promote government accountability and transparency, and citizen involvement. Use of the media is an essential tool in the program’s efforts and was instrumental in DRSP’s recent support for an open court system, freedom of broadcast media, and public participation in legislative processes (RTI 2007).
military authorities found responsible for it (Robinson 2001: 245). Thus, in assessing the democratic transition and national consolidation in the new Indonesia, the military factor remains of critical importance.

Democratisation in Indonesia has led to the basic protection of freedoms of expression and association, and the separation of powers between the executive and the legislative branches of government. While in the past Indonesian legislators had been acting as rubber stamps and supporting all the decisions of the executive, they have today regained much of their power and authority, and are answerable to the voters every five years (Antlov 2007: 3). Several important democratic changes have occurred: the strengthening of parliaments and political parties, media (both printed and broadcast) has grown stronger and more important, unpopular state institutions have been dissolved, community-based democratic institutions revived, and citizen's participation in political process has increased.

Although euphoria of reformasi was seen everywhere in Indonesia, nevertheless, the lack of experience of living in a democratic society, and the rising expectation of the people contributed to political chaos and uncertainty in the post Soeharto period (Ananta and Riyanato 2006). At the same time, the economy was often criticized for not growing as rapidly as it should have. After his inauguration in October 2004, Yudhoyono immediately faced an economic crisis. In 2005, the institution of Indonesia's new multiparty presidential democracy repeatedly threatened to derail the economy (Liddle and Majuni 2005: 122; 2006: 137). However, President Yudhoyono appeared finally to have made a commitment to economic policies most likely to promote rapid growth and to have chosen the economic team most capable of implementing those policies. The Indonesian economy was growing during 2006 at just over 5 per cent, continuing to stay below the population growth rate of over 6 per cent. The gap between economic and population growth had been a feature of the Indonesia economy since 1998, primarily as a consequence of low levels of foreign investment. Tourism was also declining amid enduring security concerns (Kingsbury 2007: 158). Meanwhile, the government has been implementing various structural reforms, although slowly, and in 2007 there were signs that investment was picking up. The Indonesian economy continued to grow at around 6 per cent during 2007 (Kingsbury 2008: 41). Although economic growth in recent years
has been relatively robust, it has failed to create sufficient employment to fully absorb growing numbers of entrants to the labour force, leading to a surging unemployment rate.

Fragmentation of political parties was a key feature of politics under Yodhoyono. By May 2007, 53 new political parties had been registered, although some were in fact, renamed existing parties that had failed to meet the minimum 3 per cent vote requirement to remain registered in their former guise (Kingsbury 2008: 40). Race for Presidential elections in 2009 had also begun. Sutiyoso, Jakarta’s governor for the past 10 years, declared himself a candidate for the 2009 presidential elections, inviting parties to join him (since he heads no party himself) and hinting that he had support from the military. Sutiyoso’s presidential candidature followed a similar announcement in September 2007 by Megawati. Her announcement was intended in part to build a base from which to challenge Yudhoyono in 2009 but also to halt increasing fragmentation of the PDI-P and the desertion of branches to newer parties. In addition, former military chief and presidential hopeful Wiranto launched a new party from which he was expected to stand in the 2009 presidential elections (ibid).

According to Hadiz (2008: 4), Yudhoyono’s government has been criticized for a number of reasons. First, due to lack of results in overcoming the proliferation of corruption, in spite of repeated stated intentions; second, failure to contain the power of vested business and political interests that go back to the Soeharto era; third, insignificant results in legal reforms, including in revamping the institutions of Indonesia’s notoriously corrupt legal/law enforcement system; and finally, ineffectiveness in controlling the military more fully, as seen in attempts to exert control over its economic and business interests, and the dismantling of its ‘territorial system’.

A decade of democratic rule that began in 1999 has failed to provide a significant economic boost. Instead, the new reform era has been continually dogged by rising unemployment. Lagging exports and investment have been intensified by arbitrary regulatory and compromised legal situations that democratic politicians have largely failed to tackle. Above all, tension among different social and ethnic groups across the archipelago has represented a principal challenge for Reformasi (Rieffel 2004: 101). The essential problem is that Yudhoyono has had to operate within a context of social power in which the elements of the old New Order system of patronage have reinvented
themselves, in spite of the vast institutional changes that have occurred with the demise of authoritarianism and the rise of democracy (Hadiz 2008: 13). Though, in long run, it would be unrealistic to expect a state as large and unwieldy as Indonesia to develop quickly following the economic collapse of the late 1990s. Nevertheless, Yudhoyono’s presidential democracy made relative progress in the path of economic development and political reform. Under political pressures and internal tensions, the state continued its slow movement away from, rather than back towards, authoritarianism (Kingsbury 2008: 46).

In the post-Suharto vacuum, party politics reigned supreme, where loyalty among politicians was not with the voters, nor the President, but rather in assuring the survival of the wealthy and powerful elite (Hadiz 2008: 2). The pervasiveness of money politics and the political violence in post-New Order politics, according to Hadiz and Robinson (2005: 230-231), “should not be understood as the mere growing pains of a slowly maturing liberal democracy. Instead, they are more fundamentally inherent to the logic of power relations that define an illiberal form of democracy’ already consolidated and entrenched”.

5.2 Democratisation in Myanmar: Progress and Prospects

Almost from the day Burmese regained their independence from British rule in 1948, their nation has been torn by civil war, which persists till today. Renowned in the pre-colonial era as the ‘hermit’ kingdom of Southeast Asia, it has remained, until recently, a isolated in a region of dynamic change (Carey 1997: 1). During the more than quarter century of General Ne Win’s ‘Burmese Road to Socialism’ (1962-88), the country experienced steep economic decline, which left it by late 1980s as one of the ten ‘Least Developed Countries’ (LDCs), with a per capita income of less than US $250. Previously, at the forefront of regional and international politics—it had been one of the founders of the Non Aligned Movement in the mid 1950s—it became, under Ne Win, the great non-joiner, an introvert state dominated by xenophobic military and a dictator swayed more by ‘numerology than normality’ (Carey 1997: 1).
In 1988 a popular uprising occurred, which seemed likely to topple the Ne Win’s regime. Ne Win in fact resigned from the presidency (though initially remaining as BSPP leader) and some liberalisation followed. Although, Ne Win stepped down, the army in Myanmar held firm and the country briefly had a civilian head of state, when the government promised multiparty elections and other reforms the military staged another coup. Since then, Myanmar has been ruled directly by the military through a State Law and Order Restoration Council (SLORC)\(^4\). The people were sorely tested in 1988 when they demonstrated for freedom and change but the army ruthlessly suppressed their peaceful revolution. And even though they complied with martial law, and participated in the election of May 1990 to vote for members of a national assembly as a first step toward the restoration of democracy, their patience went unrewarded as the military found one excuse after another to delay change. All real hopes for peaceful change were dashed when military government refused to hand over power to the democratic forces.

In November 1997, Burma’s ruling military junta announced it was changing its name from the State Law and Order Restoration Council (SLORC) to the "State Peace and Development Council" (SPDC—the latest metamorphosis of military government)\(^5\). The change was meant to project a softer image, because the regime had been ridiculed for years for calling itself by such a hard-sounding name (Fink 2001: 94). The 1997 reorganized polity under the SPDC shows every indication of sustaining the myth of invincibility that has accompanied the regime from its birth in 1962\(^6\).

\(^4\) SLORC was formed when the Burmese armed forces, commanded by General Saw Maung seized power on 18 September 1988 crushing the 'Four Eights' (8888) uprising.

\(^5\) “The change indicates that the military government regards itself as a transitional or caretaker government exacting a step-by-step transformation to a democracy it cherishes. If the military government intends to hold on to the power [it] as has been accused of by the Western governments, [then] changes in the name of the government or members of its administration are not necessary. It is a change of substance, entity and identity”. This was a typical state-offered explanation given by Hla Min, an America-educated lieutenant colonel in the Directorate of Defence Services Intelligence’s Office of Strategic Studies. Hla Min continues by setting down a ‘schedule’ for the changeover to democracy, but avers that the government of Myanmar is ‘stuck in a first phase’ due to ‘unnecessary pressures’ (Mathews 1999: 80).

\(^6\) For details on SPDC see Mathews (1997).
5.2.1 Impasse Continues

5.2.1.1 Economic Constraints

Chief among the internal factors weighing on the military leadership is the abysmal state of the economy. Burma’s reliance on imported fuel, its energy shortages, trade deficits, the huge cost of maintaining its unprofitable state-owned enterprises, and many other deficiencies resulting from decades of inept military management leave the economy in a constant state of instability and uncertainty (Clapp 2007: 12). Although, the SLORC-SPDC regime tried to reverse the deteriorating socio-economic situation, which saw Myanmar designated as “Least Developed Country” by the United Nations in 1987 and led to a popular uprising in 1988, the benefits of new market economic reforms, however, have accrued primarily to a small privileged elite and have not translated into broad based improvements in the standard of living (Pederson 2005: 163).

Existence of an ‘extra legal economy’, at least as large as the ‘formal economy’ has posed a significant challenge for the regime transition in Myanmar (ICG 2000: 19). According to the US State Department’s International Narcotics Control Strategy Report, Myanmar continues to be the world’s largest source of illicit opium and heroin, although production and cultivation began to decline from 1997. The report identified money laundering in Myanmar and the reinvestment of narcotics profits laundered elsewhere as ‘significant factors in the overall Burmese economy’. Added to this was the country’s underdeveloped banking system and lack of enforcement against money laundering which has created a ‘business and investment environment conducive to the use of drug-related proceeds in legitimate commerce (Quoted in ICG 2000: 19-20).

The clearest indicator of the economic plight of ordinary people in Myanmar is reflected in the escalating cost of rice, the staple that makes that 50 per cent of the consumption expenditure of an average family (Maung 1997: 507). For several years, inflation has greatly outpaced increases in wages and other income opportunities, thus, eroding the purchasing power of many households. This situation was compounded in 2003 by a major banking crisis and new US economic sanctions, which disrupted trade, caused widespread job losses in cities, and resulted in a significant contraction of overall economic activity (Pederson 2005: 163). Under increasing strain and extreme conditions,
many affected families have migrated in countries across the borders to Thailand, India etc.

5.2.1.2 Multi-Party Elections and Refusal to accept the Popular Mandate:

Prospects for democratic and social consolidation in Myanmar seemed to be imminent in 1990 in the wake of multi-party elections. But, the refusal of the military junta to accept the popular mandate dismissed all hopes of early transition in Myanmar. In May 1990, multiparty elections were held for a new National Assembly as per the promise of the new regime. According to ICG Report (2000), “the primary motivation appears to have been the resumption of Western aid cut off after the 1988 coup; it was also apparently assumed that no single party of the plethora of new opposition parties could win a workable majority and that the SLORC-sponsored National Unity Party would be the dominant party”. But, in the result that followed, NLD, the major opposition party achieved a landslide victory – led by Aung San Suu Kyi, the daughter of the independence hero and ‘martyr’, General Aung San, who had been assassinated in 1947. With 52.9 per cent of the vote, the NLD won 392 seats out of 485 in the new assembly – as against ten seats for the NUP with 25 per cent of the vote.

With the victory of NLD change seemed in the offing (Fink 2001: 1). But the regime refused to transfer power and instead began arresting some of those who had been elected including their leader Aung San Suu Kyi. The people of Burma demonstrated their desire to restore democracy and basic human rights by pushing for a political opening towards a democratic transition, which the military regime has resisted at all cost by suppressing the implementation of the popular mandate (Oo and Grieg 1999: 93). The relationship between the NLD and the army has always been fraught with hostility. Thus, the military and the NLD did not trust each other, especially after the party’s leader, Aung San Suu Kyi, became publicly critical of the army and its former leader, General Ne Win. As a result, they sought to undermine each other’s position (Hlaing 2005: 239). Shortly after the election, the SLORC declared that the elections were not for a parliament that would itself legislate or form a government but simply for a constituent assembly which had the task of drafting a new constitution, thus, rejecting the popular mandate which continues till today (ICG 2000: 4).
5.2.1.3 Civil Society

At the societal level, economic development, industrialization, and urbanization have worked together to create and strengthen interest groups and voluntary associations (Shin 1995: 152). Many of these organizations and associations, which are considered as the building blocks of democracy, became alternative sources of information and communications. They directly challenged authoritarian regimes by pursuing interests that conflicted with those of the regime and eroded the capacity of authoritarian rulers to dominate and control their societies. But, the total domination by the military of the ‘State’ leaves no space for political and civil society in Myanmar (Alagappa 2001 c: 493). In the post Cold war era when the values of democratisation and civil society were being promoted by much of the international community, the political relationships and language inside Myanmar were still very loosely charted (Smith 1999: 424). Annihilation of contending political forces and its extensive surveillance and intimidation networks that penetrate and control society through fear and coercion is extensive. Before a future democracy can take root and be meaningful to local communities, it is necessary to transcend the barriers created by the cultural and structural legacy of repressive, autocratic rule, and build a more vibrant civil society (Pederson 2005: 170).

According to Muttaiah Alagappa, “civil society framework in Indonesia may well be under the stage of transition phase whereas in the case of Myanmar, they are still in the liberalization phase. Civil society groups there are still seeking to carve out spaces in various spheres of public life”97. Zaw Win Aung who works for the Federation of Trade Union of Burma argues that “GONGOs, or government-organised non-governmental organizations, are prominent in Myanmar. The largest and most prominent of these organizations are youth, child welfare and women organizations, largely controlled by military generals’ wives”.98 Organizations such as the USDA, the Myanmar Red Cross Association and the Auxiliary Fire Brigade, for example, have been organized as ‘auxiliary forces’ of the Tatmadaw, while other ‘NGOs’ such as the Myanmar Maternal and Child Welfare Association and the Myanmar Medical Association are located under

97 Based on an interaction with Muttaiah Alaggapa, December/January, 2005-06 at Centre for Policy Research, New Delhi.
98 Based on interview with Dr Zaw Win Aung, Chief of Bureau, Democratic Voice of Burma and Federation of Trade Union, Burma on October 25, 2008.
the umbrella of the Tatmadaw, through the patronage of senior military personnel and
their spouses, for the purpose of ‘national defence’ (ICG 2000: 25).

5.2.1.4 Military Purges and Strategies

Most attention focuses on power struggles within the uppermost reaches of the regime. Until the 2004 sacking of Secretary-1 General Khin Nyunt, along with nearly all the senior officers closely associated with him, regime affairs reportedly were widely explained through a unilateral power struggle between Khin Nyunt and State Peace and Development Council (SPDC) Vice-Chair, Maung Aye. According to Mary Callahan (2007: 37), “the intransigent latter was said to counter every ‘baby step’ by Khin Nyunt at least marginally in the direction of reform, including the dialogue with Aung San Suu Kyi and the negotiation of cease-fire arrangements with more than 20 former rebel organizations”. With the sidelining of Khin Nyunt, so-called hard-liners are said to have resoundingly defeated the soft-liners. After the defeat of Khin Nyunt, the struggle is said to pit Maung Aye against his boss, junta chair, Senior General Than Shwe. At stake now seems to be less a hard-line or soft-line policy orientation than raw power, as Maung Aye has spent 13 years as Than Shwe’s deputy and is thought to be aspiring to ascend to the top position (Callahan 2007: 37; Jagan 2006: 33).

A second set of intra-military tensions that has received ample attention in the past has been tensions rooted in the enormous power and influence that regional commanders have attained in the past 20 years. In charge of all military and administrative affairs in their regions, they at times have acted like incipient war-lords, particularly in the early 1990s. While they remain very powerful, the junta and the War Office in Yangon have established formal and informal mechanisms to rein them in, starting in the early 1990s with moves to require regional commanders to serve as members of the junta and, subsequently, regular reassignments of regional commanders to War Office and Cabinet positions. Several major reshuffles have occurred since then, without producing any significant challenges to the regime. Although, the regional commanders remain powerful, the junta chair retains ultimate authority.

General Than Shwe’s approach is largely drawn from his mentor, Burma’s former strongman General Ne Win (Jagan 2006: 33). Frequent purges were a major
characteristic of his rule. Over the past few years there has been a growing division within Burma’s military leadership on how to maintain army’s political role in the future and development the country. Than Shwe’s approach in recent years has been to revitalize the army and strengthen the military. This is in contrast to the view of the state, where army plays second fiddle to a civilian administration. This has been institutionalized in the draft constitution, according to which, the President must be a military top general, while the defense minister must also be an army commander (Constitutional Principles Approved by the National Convention 2008). General Than Shwe is also renounced for being cautious and xenophobic, as well as authoritarian. In 2004, he ordered all senior commanders in the army to learn how to use computers and access computers99. This is all part of Than Shwe’s vision to revitalize the army and ensuring that it has an enduring role in Burma’s political life.

Despite overwhelming support for Aung San Suu Kyi and NLD military junta has been able to cling on power largely because of the system of surveillance and intrusiveness. According to Bala, the “house check system” is one of the most infamous strategies of the military100. This system ensures that every household must register their members and visitors with the local authority. They can also come for random checking in the middle of the night. Mathews (1998: 15), alleges that there are several military intelligence units and often the civilian’s travel between Myanmar’s fourteen states and divisions are monitored.

An analysis of the factional struggles in the post independence Burma has led Hlaing (2008: 149-177) to conclude that regime transformation has taken place only in the absence of a powerful hegemonic figure at the apex of the state. The existence of a hegemon, who is able to mediate between factions, yields a good possibility of a stable government. Conversely, the absence of such a hegemon results in an unstable government (ibid: 176-177). Internal factionalism and conflict was one of the main reasons for the establishment of military caretaker government in 1958—rift in between AFPFL stable and clean faction.

99 Army officers of the rank of colonel and above were recently told to buy their own personal computers. Several hundred junior military officers have been sent to Russia and India for computer training.
100 Based on interview with Bala.
Until 1952, there was no real opposition party in the Parliament. The Burma Worker's and Peasant's Party (BWPP) formed in 1950 assumed the role of opposition after the first general election held in 1951-52 (Silverstein 1977: 27). After the second general election in 1956, a more durable opposition in the name of National Unity Front (NUF) emerged in the Parliament. But, in Myanmar, the concept of legal opposition was relatively new and was often resisted. The parties sought to monopolise power and eliminate the opposition (Fink 2001: 24). The armed forces are a loyal and disciplined ally to the regime in everyday life. Despite rumours of inner-cabinet struggle and possible intrigue among the regional commanders, the regime has shown an considerable durability (Mathews 1998: 13). According to Martin Smith (1999: 424), “although, there are deep differences of opinion between senior commanders, but they make sure they never develop into conflicts of interest. This is the key to their system.”

Internally, the purge of General Khin Nyunt and his supporters has exposed strong fault lines within the military leadership that were previously blurred by the trilateral balance of power. The competition between the faction of the senior ranks aligned with Senior General Than Shwe and that aligned with his deputy General Maung Aye is quite perceptible, but it is not strong enough to threaten the stability of the regime. According to Tint Swe, “As a result, of isolation of junta, existence of fractions and splits within the regime is not visible. In spite of disagreements within the regime, the chances of military revolt in Burma is doubtful.”

5.2.1.5 Media Control

During the Parliamentary Democracy period between 1948 and 1962, Burma experienced relative freedom of press and media. Writers and artists enjoyed almost total freedom of expression. But this ended with the military coup in 1962 led by General Ne Win. During the period of military rule, which exists till today, free expression and the right to criticize government policy were gradually suppressed. In August 1962, The Printers' and Publishers' Registration Act was promulgated by the military regime. Under this act, all printers and publishers were required to register and to present two copies of all proposed books to the Press Scrutiny Board (PSB). Additionally, very few social

101 Interview with Tint Swe, School of International Studies, JNU on October 30, 2007.
scientists have been allowed to conduct research in Burma and journalists are limited in how long they can stay and where they can go. At the same time, the Burmese scholars and authors inside the country have not been able to write openly about such matters because of strict censorship rules (Fink 2001: 4-5).

The Printers' and Publishers' Central Registration Board, in July 1975, issued an 11-point guideline that basically forbids all writings against the "socialist" state, its policies, and its actions. After the present military regime came into power in 1988, the Press Scrutiny Board, far from being disbanded, was strengthened (Mizzima News 2008). Every writer, every poet, every cartoonist is always ruled by the fear that what he or she has written will not get passed the censor. Apart from newspapers and magazines, the radio and television are also under the tight control of the military government (Luwarso 2000). The New Light of Myanmar is a total propaganda machine for the government. Foreign journalists are rarely allowed entry visas to the country and the military intelligence units of the government constantly monitor those who are admitted. The state-run media has been forced to show the courage which is favourable to SPDC and the USDA. They have been provided with facts and figures about infrastructure—roads, bridges, hospitals so as to create a positive response in the minds of its supporters (Bowman 2007: 9-10). Various non-state media has also been bribed for running coverage favourable to the SPDC. Various foreign media agencies such as Radio Free Asia, Voice of America and Democratic Voice of Burma have been critically circumscribed.

As part of its media campaign since 2005, the SPDC has intensified its public attacks on anyone it perceives as a possible political challenge, such as the NLD and the '1988 students'. According to Bowman (2007), "the number of articles in the state-run media seeking to discredit the NLD as 'Western stooges' and 'axe-handles' and the verbal attacks on individuals increased in frequency and rancour".

5.2.2 Rationale for democratization in Myanmar

5.2.2.1 Economic reforms:

Democratisation may be the likely satisfactory answer in dealing with deep-seated economic problems in Myanmar. For any economic reform programme to be successful
and sustainable the political structures must be changed first. In other words, economic reform requires a transition to democracy because cronyism, nepotism, and stop-and-go policy cycles, as evident in Indonesia, could derail the reform process. National task of economic revival, argues Oo and Grieg (1999: 131), is more likely to succeed under a democratic political framework due to several reasons. First, for any austerity measures to produce results, the government needs to restrain expenditure and increase revenue. Democratisation can facilitate stabilisation because a democratic regime may help reduce the economic burden of unproductive spending and limit the scope "for ad hoc decision-making, for rent seeking, for undesirable preferential treatment of individuals or organisations". Second, the implementation of economic reforms must be underpinned by the credibility and trust that only a democratic regime can provide. Tough stabilization measures and economic reforms incur social costs and only a regime enjoying the confidence of its citizens stand a chance of sustaining the process. Third, mobilising domestic and foreign private capital is a critical component of economic recovery. Sustaining the private capital flows and creating a climate conducive to investment requires the rule of law, transparency in public administration, and above all, political stability (Oo and Grieg 1999: 131).

Myanmar government today generates less than 3 per cent of GDP in revenue, one of the lowest levels in the world. This greatly limits its capacity to carry out necessary social investments, and contributes to corruption and other violations of human rights. In fact, the pressure for market economic reforms from the international financial institutions could make the situation worse (Pederson 2005: 169). Politically, the extra-legal economy is also causing problems for Myanmar’s neighbours, with both Thailand and India expressing public concern over the export of drugs from Myanmar to their territories (ICG 2000: 20). Steinberg (2005: 94) argues that there has been virtual uniformity of opinion on needed changes in economic policy and performance in Myanmar.

5.2.2.2 Resolving Ethnic Conflict:

Restoring democracy in the country has likelihood that the peripheral minorities will get a better deal from the Centre. The successful management of centre-periphery
(ethnic) conflicts requires institutional structure for bargaining for the assertion and resolution of demands. The practice of managing inter-communal relations through normal administrative channels symbolizes neglect by the centre of the claims of distinctive status and the special problems of the peripheral communities, to organize politically, or in extremes, to mount insurgencies in order to enhance their negotiating position. In their aspirations for national unity, those in control of the centre prefer to treat all their subjects following the methods and criteria used for the dominant community (Burmans). This, however, is seldom satisfactory to the peripheral people. It requires a consensual arrangement such as the establishment of formal and informal institutions for regulating communal relations, thus, legitimizing pluralism. Democratisation requires an acceptance and a commitment to respect pluralism reflecting the diversity of religious affinity, provincial identity, as well as linguistic and ethnic origin. Five decades of continuous conflict, compounded by the often confrontational positions assumed by both the military governments and pro-democracy forces since 1990, culminating in the September 2007 attack on monks and pro-democracy demonstrators, have created atmosphere of alienation, distrust and a lack of basic understanding and empathy. These conflicts, according to Pederson (2005: 167), are a result of racial, ethnic and religious tensions, reinforced by an intensifying struggle over scarce resources.

Although, Myanmar faces a complexity of challenges today, it is the question of national reconciliation and ethnic inclusiveness which is most noteworthy in the process of democratic reform. In this respect, changes in the ethnic landscape have been most significant since the SLORC-SPDC assumed power in 1988. Martin Smith (1999: 39) attributes these changes to two major developments—first, an ethnic ceasefire movement that was instituted by the military government in 1989; and second, the 1990 elections in which nineteen ethnic minority parties also won seats, forming the second largest block of pro-democracy parties after NLD. It is important to note that the cease-fires were accepted by the various ethnic organizations in part because they promised a process of economic development and political dialogue. Bruce Mathews (2001: 11) alleges that,

\[\text{102 For details see Smith 1999.}\]
“regrettably there is little of the former and none of the latter. This will likely compromise the integrity and durability of the cease-fires”.

Military dictatorship and human rights violations have destroyed the myth of the unity between various ethnic communities in Myanmar. Until democracy is re-established, there will be disunity, warfare and economic decline in Myanmar. The minorities have concluded that their future lies in union with the Burmans and not outside (Silverstein 2004). They are willing to lay down their weapons and join the Burmans in forming a viable federal state, based on equality, autonomy and self-determination. They want modernisation and development to come to their areas and people, but on terms they can accept and live with. Both the Burmans and the minorities want to see the military return to the barracks, leaving politics to civilian elected representatives.

5.2.2.3 Social Conditions and Modernisation

Democratisation also augurs well for modernization of Myanmar. Building up of a modern robust economy which is high on Human Development Index requires regime transition in the country. Eradication of poverty, disease and hunger, better educational facilities and human resource development necessitates a shift towards democracy and a more responsible social welfare state. Thus, underdeveloped socio-economic factors are crucial agents for regime transition.

After six decades of armed conflict, beginning from the Japanese invasion of British colonial Burma in 1942 and continuing through insurgency and counter-insurgency up until the present times, Myanmar is still lagging behind its neighbours on most socio-economic indices. Poverty, health and education indicators show significant suffering by the population, with ethnic minority populations experiencing the most badly, particularly as a result of decades of armed conflict in their regions (Steinberg 2005: 89-90). Decades of armed conflict, isolation and repression has led to the legacy of limited presence of social capital in society. Rigid adherence to hierarchy and patronage system leaves little room for genuine dialogue and leads to a feeling of threat and exclusion, often resulting in marginalisation and fragmentation (Tegenfeldt 2006: 219). Myanmar is a society that has been cut off from exposure to broad discourse on political

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103 According to Human Development Index 2006 Myanmar ranks 130 with HDI of 0.581.
or economic systems through rigid censorship of internally published or imported materials and an educational curriculum emphasizing free inquiry into these subjects (Steinberg 2005: 97). This lack of cohesion in the society and the resultant psychological resistance to cooperation constitutes a fundamental obstacle to political and economic progress which transcends the nature of the political system. According to Pederson (2005: 167), “a democratic process could facilitate inclusion of presently excluded groups and interests and allow the healing to begin”.

5.2.2.4 Regional and Global Player:

Global dynamics forge linkages between domestic and international issues, such as the need for Myanmar to make progress on democratisation as a step towards reintegration into the international community. As the effects of globalisation are increasingly being felt in the ASEAN region, with increasing attention on issues such as transparency, accountability and good governance by multilateral institutions, donors, international media, NGOs and corporate entities, all ASEAN countries will need to make appropriate adjustment and so does Myanmar. Today, with rapidly growing global and regional interdependence, the dividing line between purely domestic issues, on the one hand, and domestic issues with international, regional or transnational implications, on the other, is becoming difficult to discern with. This has been aptly proved by some of the recent events such as Asian financial crises, environmental disasters (tsunami and earthquakes), religious fundamentalism, and problems of drugs, diseases and illegal migration. Unless the National Reconciliation process becomes genuinely inclusive and credible, it will only serve the narrow interests of the same leaders who have driven Myanmar steadily in the wrong direction. In the absence of political change, the situation in Myanmar is likely to continue to deteriorate. The cross-border problems fueled by worsening conditions can only have an increasingly negative impact on Myanmar's neighbours and the entire Southeast Asian region.

5.2.3 Indonesia’s Role in Democratisation of Myanmar

Indonesia almost alone among the countries of Southeast Asia has given lip service to the promotion of democracy in Myanmar. However, a consensus appears to be developing that it is increasingly legitimate to criticize foreign governments for what are
perceived as bad policy decisions that impose costs on their neighbours. ASEAN as an organization, as well key members acting on their own, have pressured the SPDC to hold a constitutional convention, and work with the opposition toward national reconciliation. In this case, the regime’s gross violation of international human rights norms, and its refusal to address them have even caused the ASEAN states to relinquish its non-interference principle. Here, Indonesia’s most important role will be in organizing and directing the regional response (Polk 2008: 76). Myanmar’s crisis may, indeed, prove to be Indonesia’s opportunity. Indonesia’s international standing and past experience make it a natural leader in the region. Being the largest country in the ASEAN, Indonesia gets a greater leverage to negotiate with the military junta.

Two main developments accounts for Jakarta’s support of political reconciliation in Myanmar. The first is democratic transformation in Indonesia (Katanyuu 2006: 836). Indonesia’s transition from democracy and reformasi stand as a reminder that political change and regime transition is, indeed, possible in Myanmar as well (Polk 2008: 73). Moreover, to bring back investment and financial flows, Jakarta needed to show a commitment to the nascent democratic transformation at home. Indonesia had been exposed to significant democratic sentiments spurred by the active role played by her predecessors, Presidents B. J. Habibie and A. K. Wahid. President Megawati carried this democratic momentum forward and began to take up the Burmese issue, apparently in an attempt to show that Indonesia had progressed in its commitment to democratic values.

Second, Indonesia aspired to restore its role as ASEAN’s leader (Katanyuu 2006: 837). Getting involved with the Burmese issue was a way to restore Indonesia’s traditional mantle of leadership. In addition, it had once been the role model that Burma sought to emulate (Sundhaussen 1995; Win 1999; Islam 1996; Harsono 1997). If Jakarta were to succeed in convincing the junta to embrace democracy, Indonesia’s stature would soar regionally and internationally. President Susilo Yudhoyono, who succeeded Megawati in late 2004, appeared to be continuing this momentum.

In the wake of the Saffron Revolution, Burma seems ready for democratic transition but, the military has remained unyielding. Meanwhile, the longsuffering Burmese people await relief from the twin political and economic crises that has engulfed their nation (Kingston 2008: 35). Myanmar’s crisis also presents Indonesia with an
unprecedented opportunity to shape how the emerging powers in the broader Asia-Pacific region will be involved in Southeast Asia's future (Polk 2008: 79). India and China's investment in Myanmar provides the regime with million of dollars in revenue each year. Both countries see in Myanmar's natural resources, the potential to meet the growing energy demands. As a result of the magnitude of interest of both these countries, they have turned a blind eye to the repressive rule of the junta (Kingston 2008: 32). Precisely because of their willingness to provide the junta with the diplomatic, economic and security assistance it needs to survive, China and India's involvement must be a cornerstone of any international effort to promote national reconciliation in Burma (Polk 2008: 80).

In this context, Indonesia can play a proactive role and seize the opportunity to shape the involvement of the world's two rising super-powers—India and China—in Southeast Asia. If Jakarta were to succeed in convincing the junta to embrace democracy, Indonesia's stature would soar regionally and internationally (Katanyuu 2006: 837). In fact, the responsibility for promoting national reconciliation in Myanmar—may provide immense opportunity to Indonesia to re-establish itself as a regional leader and salvage ASEAN's reputation.

5.2.4 Prospects for Democratisation in Myanmar

Following four stages of democratisation which has forward and backward linkages between each successive stages (as discussed in Chapter-2), Myanmar may still be categorised in Stage I. It seems that the military elites' critical decision to institute multi-party democracy stemmed initially not from the shift in fundamental values but from strategic considerations. This occurred probably because they perceived that the costs of attempting to suppress the public demand for a democratic alternative exceeded the total cost of tolerating them and thus, engaging them in constitutionally regulated competition (Diamond 1993: 3).

Since seizing power in 1962, the military has turned Myanmar into one of the most repressed countries on earth. The only time the generals allowed an election was in 1990 when they were badly defeated by the National League for Democracy. Suppression of human rights and its abuse is common in Myanmar. Forced labour is widespread, the
NLD's leader, Nobel peace laureate Aung San Suu Kyi, is among the estimated 1,300 political prisoners and all democratic institutions have been emasculated. Ms. Suu Kyi was placed under house arrest for the third time in 2003. She was never allowed to take office (after the 1990 multi-party election) and since then the political repression has intensified. As the economy has collapsed and international demands for change have mounted, the junta's paranoia has risen markedly. In November 2005 it moved the capital from Yangon to a heavily fortified city Naypyidaw near Pyinmana. The reasons for moving the capital are unclear. Some analysts point to a paranoia among senior military figures that they might come under attack, potentially from the United States, and that a location further from the coast is strategically safer (BBC 2006). The extension of house arrest of the NLD leader Aung San Suu Kyi by a year, which expired on 27 May 2008, has further closed all the roads for a democratic opening in Myanmar. The pro-democracy leader has been held since May 2003, and has spent 10 of the last 16 years under house arrest.

Burmese political culture, with its emphasis on hierarchy and status, is not conducive to democracy. Paternalistic authority is inconsistent with democracy's reliance on equality of opportunity, freedom of speech and assembly, and representative institutions. For almost all of its history, Myanmar has been ruled by autocratic monarchs and military leaders. Myanmar's only experience with democracy was a short period under the 1947 constitution after independence when U Nu supported representative institutions, free elections and civil liberties. The ineffectiveness of the U Nu's rule was used as a rationalization for the government takeover by the military in both 1958 and 1962. Since that time, democratic institutions and behaviour, said to be "foreign to the traditions" of the Burmese and a rejected legacy of the Western imperialism, have been suppressed.

Since the popular uprising in 1988, the Myanmar's military government has toyed with the idea of "democracy" and a "multiparty" system manipulating these terms to justify and legitimise its rule. Although, the Government has paid lip service to implement these concepts, and to the notion of transfer of power to the party with the most popular support, the regime's actual commitment to democracy has been slow and reluctant. Characterised by ethnic conflict, economic stagnation and political oppression,
Myanmar has been unable to achieve—the ideal of peaceful, happy and prosperous society.

In the case of Myanmar, democratization continues to be an impasse, with a military apparatus devoid of all legitimacy hanging on to power through its monopoly of the means of violence. The Burmese polity will not lose its personalistic character overnight; nor will western style democracy flourish immediately. Patron-client politics, factionalism, and oligarchy have been essential elements of Burmese politics and will continue to be important factors. The crucial task, therefore, before the future government is to create a process that will allow democratic openness while ensuring political stability and continued economic growth. In this struggle for justice and peace in Myanmar, lasting authority can only come from respect and empowerment of the pro-democratic forces. Civil society is likely to reduce human rights abuses and create freer political and economic environment.

The courageous step taken by the peace-loving monks in September 2007 is being seen by other nations as a sign of extreme crisis in Myanmar. It symbolises the weakening grip of junta boss Thang Shwe over the Burmese as public are taking to the streets to defy the dictatorial regime. The pro-democracy protests began as the government abruptly hiked fuel prices, pushing up transport fares that triggered a sharp rise in the price of consumer goods. Such public defiance has not been seen for nearly 20 years as the generals usually adopt a zero-tolerance policy towards the slightest criticism. Myanmar’s military masters thought the protestors’ momentum would eventually die down. However to their own dismay, the protests appear to be growing shriller by the day across the country and the issue is now whether they will eventually fizzle out, or if this really marks the beginning of the end for military rule in Myanmar.

In spite of present political upheavals caused by different personalities and styles among the elites and emergence of a new social consensus among activists, students, academics and journalists, democracy is a far cry in Myanmar. According to Christina Fink (2001)—a Myanmar analyst, for a political transition to occur in Myanmar, it is likely that there will need to be a convergence of three factors: first, a unified domestic political pressure from pro-democracy supporters and ethnic minority groups who value greater independence; second, international pressure can have the effect if judiciously
applied; and third, a possible split or emergence of a powerful group in the military which supports the democratic movement. Either the senior generals need to see that it is in their interest to negotiate with the NLD and ethnic representatives or an influential military faction must break away from the ruling junta. Economic breakdown, the death of a powerful leader or a growing populist movement would, perhaps, provide a catalyst to such a scenario (ibid: 251). Thus, the pressure on regime both from within and outside is the only way forward.

In the present case, intense domestic political pressure brought up by the recent anti-junta protests of the monks against the authoritarian regime for the restoration of democracy and human rights in Myanmar is the classic example of bottom-top approach for democratization. The silent revolution hoisted by the monks symbolizes the unified domestic political pressure, which might prove successful in bringing about democratic and political transition in Myanmar. At the occasion of first anniversary of the Saffron Revolution, the monks have given a call for continuing their struggle for peace and democracy in Myanmar (International Burmese Monks Organisation 2008). According to Ashin Panna Siri, a Burmese Monk, "they are trying to restore the movement and very soon organize a more powerful one".104

The second option of applying international pressure seems to be subtle. Although, United States and the European Union members are vehemently opposing the crackdown, China and Russia considers it as an internal affair which does not threaten international peace and stability (The Hindu 2007). ASEAN has been unable to persuade its member state even to open a political dialogue with the leaders of the democratic group. In the wake of the recent crisis, it is looking at the regional powers—China and India to exert pressure on the military government. However, the gravity of the present situation, marked by the deaths of the monks and others at the hands of the SPDC’s soldiers and police, has resulted in a non-ideological intervention by the Security Council (ibid). The Council does not call for anything more prescriptive than the generic norm of a peaceful solution.

Although, international anxiety has also pressurized Myanmar to call for democratic reforms and improvement of human rights, but in reality no significant

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104 Based on the interview with Ashin Panna Siri.
progress has been achieved. The primary impetus came from the United States and European Union. China, India, and Japan are also important as regional players hoping for the restoration of democratic government in its neighbour (For details see Kingston 2008: 31-40; Polk 2008: 75-84; Katanyuu 2006: 841-845; International IDEA 2001: 69-85, 108, 131-181; Levesque 2007: 31-33). According to Sleth (2008), since 1988, countries and international organisations with an interest in Burma have fallen into three broad camps. The 'hard liners', led by the US and UK, and the EU, have favoured public condemnation of the regime and the imposition of tough economic sanctions, including an effective ban on international financial assistance. In November 2007, the Prime Ministers of Britain and France called on the junta to work more closely with the UN and to participate in an inclusive and substantive process of national reconciliation with Aung San Suu Kyi and Burma's ethnic groups (Brown and Sarakozy 2007). The EU and the United States agree that the long-term goal is democratic transition, and there is a shared pragmatic recognition that the process toward that goal will entail working with the military while patiently and generously nurturing the institutions and capacities that are crucial to nation building (Kingston 2008: 36).

The so-called 'soft liners' are represented mainly by the ASEAN countries. Referring to their charter, which stresses non-interference in the internal affairs of fellow members, most ASEAN governments have seen greater value in 'constructively engaging' Burma's military regime. There is a third group, led by China, Russia and more recently India, which has developed (and is still developing) close ties with Myanmar. These countries would like to see Myanmar enjoy greater prosperity and internal stability, but in order to promote their own respective interests. They are not prepared to risk their fragile and currently beneficial relations with the military government by supporting any initiatives that are ultimately aimed at regime change. However, to the frustration of many in the international community, Myanmar's military government seems impervious to external influences (Sleth 2008: 281-297). Neither the tougher, principled policies of the US and its allies, nor the more self-interested, pragmatic approach taken by the ASEAN countries, seem to have had any real or lasting impact on the regime's behaviour.

The possibility of the occurrence of the third option that is of a possibility of division in the military leadership however, is also remote. In the internal politics of
military rule, even the splits and schism are, however, not apparent and perhaps has operated at a meek level in Myanmar as compared to its role model in Indonesia, where transition from authoritarianism to democracy is largely a result of these factors in the internal politics of military rule. Incidentally, the series of events in the later years of Suharto’s regime reveal the inherent volatility of the military government and indicate that perhaps the military was less cohesive and mal-integrated than ever before. These forces were, however, not perceptible and perhaps operated at a submissive level in Myanmar (For details see, Smith 1999: 424; Taylor 1998: 9; Fink 2001: 94; Hlaing 2008: 172).

In Myanmar democratic practices need to be inculcated and the division of political power must be resolved in a way in which most people feel satisfied. To consolidate such changes along democratic lines, there is a need for organised collective action based on political party building and routinised patterns of elite recruitment as essential conditions for grassroots democracy. It further requires an acceptance and a commitment to respect pluralism reflecting the diversity of religious affinity, provincial identity, as well as linguistic and ethnic origin.

5.2.5 The Road Ahead

Regardless of the internal problems and the pressure imposed on it by the opposition groups and the international community, the junta has remained strong enough to keep itself in power. Despite the current political impasse, the possibility for political change in Myanmar still exists. The constitution that has emerged from the National Convention will set new rules for the governance of the nation. While many ardent proponents of the NLD, especially Aung San Suu Kyi, has not accepted the constitution, it must be acknowledged that they appear unable to take any countermeasures beyond asking the international community to reject the National Convention (Hlaing 2005: 254).

The SPDC’s seven-step roadmap to ‘disciplined democracy’, which enshrines a paramount political role for the military, holds little promise, buried as it is beneath the ‘magma’ of a discontented people (Kingston 2008: 17). In spite of all these efforts by the Government, the regime is looked at with suspicion and all move towards liberalizing the regime is perceived as an attempt to garb the ‘hard authoritarianism’ of the military junta.
It has been alleged that the Convention is undemocratic and unrepresentative and is being pursued without the consent of the majority of the people in Myanmar. The Convention provided neither a credible political process leading towards a more representative government nor a means for the genuine national reconciliation which the people of Myanmar deserve. It lacks the legitimacy necessary to draft a constitution that is truly representative of the Burmese people. The Convention included only delegates handpicked by the regime. It prohibited free and open debate on crucial issues, and excluded Myanmar's democratic opposition and key ethnic minority groups. The National Convention was meant to institutionalize the brutal military regime of the SPDC which came to power through a coup and ruled Myanmar for 42 years is now seeking a legal mandate using the National Convention. The Convention has tried to define the military regime's role in future governments. The National League for Democracy (NLD), the biggest opposition party in Myanmar boycotted the convention and the international community including the United Nations has described the proceedings as a “sham”.

Military's hope of building durable and effective structures of governance has remained unfulfilled. Both domestic and international legitimacy has remained illusive (Pederson 2007: 236). The Initiatives for International Dialogue (IID), a Philippine-based human rights NGO advocating genuine peace, justice and democracy in Myanmar, described the scheduled resumption of the national convention that would draft the constitution in military-ruled Myanmar as “worse than a tsunami.” According to it, “the National Convention is a man-made disaster that will put the lives of the 52 million people of Myanmar in great danger. A tsunami hits very rarely, but a military-influenced constitution will cause lifetime damage in the lives of the already oppressed Burmese people” (IID 2007). The U.S. reiterates its calls on the Burmese regime to release Aung San Suu Kyi and all political prisoners immediately and unconditionally, and to initiate a meaningful dialogue with the democratic opposition and ethnic minority political groups leading to genuine national reconciliation. It further regards the proposed document (draft Constitution prepared by National Convention) is “of, by and for” the junta (Irrawady
These actions would be a first step in addressing Myanmar's deteriorating internal situation and promote greater regional stability. But despite numerous resolutions from United Nations bodies and a western-led international lobby for democratic transition in Myanmar, the military junta has refused to step down or introduce reforms in its political system. As a result, political and civil liberties continue to be violated and the human rights situation continues to deteriorate with no signs of measurable improvement.

Myanmar's future is not clear because state is in a painful transition. Power without legitimacy cannot last indefinitely, but the conjunction of factors that has unhinged illegitimate regimes elsewhere continues to elude the Burmese political scene, where legitimacy largely resides in the repressed opposition. The role of democratic activists in Asia continues to rally international public opinion to prevent heightened repression in Myanmar and maintain the international isolation of the military regime.

When we look ahead to the road of democracy in Myanmar, it can be seen that the first four steps in the 7-step “roadmap” has been achieved (The time span to materialize the rest of the stages depends on the degree of the skill in holding the election which id due in 2010. Thus, it has been urged that it is the duty of the entire people to energetically take part in the task to build the national solidarity firmly and actively with full Union Spirit. The stage five says, "Holding of free and fair elections for Pyithu Hluttaws (Legislative bodies) according to the new constitution"; the sixth stage, "Convening of Hluttaw attended by Hluttaw members in accordance with the new constitution"; and the stage seven, "Building a modern, developed and democratic nation by the state leaders elected by the Hluttaw; and the government and other central organs formed by the Hluttaw". The final three stages mention the responsibility of the people's representatives to discharge the State's duties, desired by the people, stage by stage in accordance with the new Constitution.

The Government while discharging its main duties—ensuring of State stability, discipline, peace and progress—will carry on and implementing seven point roadmap in

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105 Burma's National Convention to draft a new constitution was a "total sham" and any political process without the participation of the National League for Democracy and Aung San Suu Kyi is "not legitimate," said Tom Casey a US State Department spokesman on September 4, 2007 (Irrawady 2007).
the future political programmes. Although, the seven stages of the road-map are the hope of the State and the political programmes desired by the people it is for the military to give way and hand over power to the people for successful implementation of the remaining of the seven-step political programmes.

After the fall of Suharto and democratic elections having been taken place, the Burmese junta, which once used the former Indonesia style authoritarianism as a model in the 60s 70s and 80s, is now looking for the path to be taken by the military leaders. Despite the similarities between the two countries, they are not progressing equally in terms of democracy. While the political reforms and democracy in Indonesia are moving forward gradually towards consolidation, Myanmar's future is still one of total uncertainty. The prospects for democratization are not clear in Myanmar. This is because those in power in the two countries have taken different approaches to the recognition of election results.

Unlike Myanmar's Election Commission, the National Election Commission of Indonesia (KPU) enjoys much-independence in carrying out the tasks stipulated for it by law. In contrast, Myanmar's Election Commission is composed only of senior leaders of the former Burma Socialist Programme Party (BSPP), the country's sole political party until it was brought down by the mass demonstrations in 1988. The Election Commission is greatly influenced by the ruling military junta, the SPDC. The only thing that Myanmar's Election Commission does these days is dismiss elected representatives, while no attempt has been made to implement the 1990 election result as stipulated by law.

The Indonesian KPU most certainly is not behaving as its Burmese counterpart is doing. Golkar and all the government in post-transition Indonesia have promised to respect the election results whoever the winners may be. The general elections held in 2004 and the election of Susilo Bambang Yudoyono as the first democratically elected President of Indonesia signified the country's significant transition towards democracy. The elections reinforced the non-theocratic nature of Indonesian politics and witnessed the breakdown of patrimonial and traditional authority. The constructive role of the media and the civil society was highly appreciated. Furthermore, the military's commitment to stay away from the electoral process was also demonstrated. The peaceful
direct elections at the national level were then followed by a series of direct elections for regional heads of local governments (governors, mayors and regents) during 2005-06 which were implemented during the Presidency of Yodhoyono (as explained earlier). This is yet another crucial milestone towards a fully democratic society in Indonesia. These developments have paved the way for Indonesia to enter into the consolidation phase.

The abilities of the two countries' militaries to adapt to the current world trend also differ. Whatever its past performance and experiences, ABRI—the Indonesian military, now has taken the gentle path to pave the way for democratisation. Indonesian military even accepts involvement by the United Nations (UN) in the internal affairs of what it had once claimed as its own—East Timor. However its counterpart in Myanmar strongly rejects any involvement by the UN—as has been the case in the wake of Saffron revolution in September-October, 2007.

Indonesian leaders were aware of the necessity for political stability in order to pave the way for economic recovery. In contrast, Myanmar's generals believe that power must be firmly held prior to any recovery of the economy, which has deteriorated drastically since the military came to power. The military government has forced the closure of most non-military affiliated colleges and universities, effectively eliminating the chance for a strong middle class to emerge in Myanmar. Prospects for political stability have likewise been undercut by the continued policy of outlawing opposition parties and arresting their leaders. In this potentially prosperous country basic human needs are not being met (Human Rights Watch 2008). Help from the IMF is not an option due to the Burmese government's flagrant human rights violations.

The ongoing conflicts, compounded by reckless economic planning, official corruption, and outright negligence, have left the country's economic and public health conditions in a dismal state (Polk 2008: 69). The widely circulated video of Than Shwe's daughter's lavish wedding in July 2006 also humiliated the military (Youtube.com: 2008). The video depicts an extravagant display of wealth, focusing on the daughter's diamond studded tiara, a multi-stranded diamond necklace and heavily bejeweled fingers and wrists. Rumours swirled about wedding gifts amounting to some $50 million (Kingston 2008: 17). This is the paradox of scarcity amongst plenty. Inflation currently
running at an estimated 40 to 50 per cent and a drop in the tourism since the 2007 crackdown has also contributed to the ongoing hardship.

Throughout the 1990s the generals had been considering the merits of Indonesia's constitution where, under Suharto, a permanent place remained for the military and its Golkar party—in Myanmar's case it would be the USDA. However, with Suharto's demise they lost interest and used the national convention as a tactical stalling device along with their ‘roadmap for democracy’ (McCarthy 2008). In recent years, a sharp line has been drawn between Myanmar and Indonesia by Indonesia's democratisation. Although Myanmar's general elections were held nine years earlier than Indonesia's, Indonesia has reversed the positions and now appears much closer to consolidating democracy. Observers agree that Indonesia will eventually have a great impact on the non-democratic members of ASEAN (Win 1999). In fact, Myanmar's current crisis which has become a critical challenge to the region's security and stability appears to an “opportunity for Indonesia” to re-establish itself as a regional leader (Polk 2008: 68).

It can be said that Suharto's removal is one step forward for democracy in Indonesia, but also one step back for the Burmese military in copying Indonesian style authoritarianism (Win 1999). Just as Ne Win and Suharto have looked to each other for ideas for maintaining their authoritarian regimes, it is now time for the people of Burma to take lessons from what the people of Indonesia have been able to accomplish. The military in Myanmar must realise that they too must come to the negotiating table with the opposition and let the people decide on the system of government that will serve them.

Despite national and international opposition, the military junta has cleverly managed to stay in power for a decade and a half with a mix of political and military strategy. It has used the changed global strategic and economic environment to its advantage by playing upon the national self-interest of nations to overcome the hostile environment partially. The longer the regime retains its ruthless hold on power, the greater will be the damage to the peoples’ movement for restoration of democracy, which is already losing momentum. The regime has also managed to contain the endemic ethnic problem. In order to appease international opinion, it has embarked upon an exercise of working out a model for restoring democracy, which is proceeding at its own pace. But
the very fact that it has not entertained any hope of majority participation in the process shows it is only a strategy to hold on to power. The situation can change if the three neighbours China, Thailand and India come together to exert pressure on the regime to restore democracy. But given the geo-political realities of the region the possibility of such a happening appears remote. The reality is that future solution to the problem of restoring democracy lies only in the Myanmar polity acting together and coming to terms with the armed forces to work out an acceptable equation, as dependence upon international support has not proved productive. This might result in the armed forces securing a legitimate place in participatory governance.

In a globalised world of increased inter-dependence, we cannot live in isolation from one another; what happens in one country has the potential to affect us all (Miliband 2007). And, however, it has been alleged that any government that relies on fear to cling on to power will always be a force for instability and uncertainty in the region (Diamond 2008a). According to Pannajota, a Buddhist monk, “the regime has tried to hide from us the horror of their crackdown. But modern technology has meant that we have witnessed images of extraordinary brutality as the regime cracks down on those who dare to stand up. Regardless of our creed or colour, the shameful scenes we have witnessed inside Myanmar have repulsed and angered us all. It is inconceivable how any government could order its soldiers to beat peaceful, unarmed monks”106. In a region which has transformed itself — socially, economically, and politically — Myanmar stands out as a shameful anachronism. As a multi-ethnic country of some 52 million people, Myanmar desperately needs a legitimate government that can unite all strands of opinion and heal the rifts created by decades of military dictatorship. Without a genuine process of national reconciliation, there can be no positive future for Myanmar.

106 Based on interview with Pannajota.