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The Opening in Burma

THE DEMOCRATS' OPPORTUNITY

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For a half-century after the military took over in 1962, the prospects for political change in Burma appeared remote at best. The regime was one of the world's most rigidly authoritarian, and it oversaw one of the world's least developed countries. On virtually every index by which human development is measured, this country of 56 million people has lost ground and now sits near the bottom of world rankings. As if to make the picture even gloomier, Burma's soldier rulers have long followed isolationist policies that have guaranteed continuing economic and political stagnation, even as many other nondemocratic countries in Asia have embraced economic reforms and foreign policies that have helped to integrate them into the global community and in some cases made them less authoritarian. Despite the efforts of a prodemocratic opposition movement and its best-known figure, Nobel laureate Aung San Suu Kyi, Burma seemed fated to remain unfree and poor in the military's iron grip.

Much to the surprise of observers, however, that picture began to change in early 2011. Despite retaining a firm hold on power and facing no urgent domestic or international threats, the military began to shift course. Oddly, what turned out to be the curtain-raiser to the new direction was more of the "same old same old": On 7 November 2010, presidential and parliamentary elections had taken place under highly fraudulent conditions, and had produced resounding wins for 65-year-old premier and former general Thein Sein and the military-backed Union Solidarity and Development Party (USDP).

In his 30 March 2011 inaugural address, Thein Sein's tone was conciliatory but still paternalistic. He praised the role that the military had played, but noted the need for economic and political reform. The intro-

duction of a reform agenda was even more remarkable given that those driving the process were all ex-generals, that the regime continued to exert near-total control over civic and political life, and that the system it ran came complete with a massive and constitutionally built-in role for the military in what the regime touted as Burma's new "democratic" order.

Within half a year, the transformation was unmistakable. The government freed most political prisoners, including prominent figures such as Aung San Suu Kyi, who had been held under house arrest for most of the two previous decades; revised political-party laws in ways that allowed Suu Kyi and her National League for Democracy (NLD) plus other opposition parties to take part in politics; entered ceasefire negotiations with a number of ethnic groups; relaxed press censorship and control of civil society; and permitted leading dissidents to return.

The democratic opposition responded to the openings favorably and energetically. Aung San Suu Kyi re-registered the NLD, which performed superbly in the 1 April 2012 by-elections, contesting 44 of the 45 seats available and winning all but one race. Suu Kyi was among the 43 winners, and now sits in the Union Parliament. These were the first elections in Burma in more than fifty years in which the results reflected the people's will and were honored by the government. Although less than a tenth of the seats in Parliament were at stake in these by-elections, they marked a break from the rigged or stolen elections of the past and underlined the government's new and more accepting attitude toward political opposition.

To make the most of the opening, prodemocracy activists are launching new think tanks, training centers, and publications. The international community has responded as well. In the last year, Burma has hosted British prime minister David Cameron, UN secretary-general Ban Ki Moon, and U.S. secretary of state Hillary Clinton. ASEAN awarded Burma its 2014 chairmanship. The United States restored full diplomatic relations after 22 years, and then followed the EU and Britain by easing investment and financial sanctions in May 2012.

Despite the excitement that the reforms have sparked at home and abroad, Burma remains a military dictatorship. Serving or retired generals control every important institution, and the constitution guarantees military domination. Yet something profound is changing, even if this is not—or not yet—an outright transition to democracy. What is driving the changes, why are they happening now, and where will they lead? What is the government's goal, and why does it think it can stay in charge of the process? What are the chances that reform will continue and that the next general elections, currently set for 2015, could lead to democratic breakthrough and consolidation?

Under whatever official name, acronym, or general turned premier or president, Burma's military rulers have long been known for their

ruthlessness and ability to withstand pressures both foreign and domestic. When the military regime held elections in November 2010, there was little sign that any course change was coming. Why did the shift come, and why now? For light on these questions, we can look to five interrelated reasons. They are: 1) an internal timeframe governed by the regime's "seven-step roadmap" and the retirement of longtime top general Than Shwe; 2) a recognition that Burma had become too reliant on China politically, economically, and militarily; 3) fear of another popular uprising; 4) a recognition of the need to engage the West; and 5) a desire to address Burma's lack of development.

The regime's seven-step roadmap. The roadmap dates to 2003 and is supposed to lead to "discipline-flourishing democracy." The plan laid out seven steps that involved reconvening the National Convention (called in 1993, suspended in 1996) and allowing it to complete its work of drafting a new constitution to be put to a referendum. After that, the plan called for holding legislative elections and building what the regime calls a "modern, developed, and democratic state."

In the event, the reconvened Convention dragged on without the NLD (which boycotted), without legitimacy, and without much result. When at last the new constitution appeared, it featured democratic window-dressing on a frame of strengthened rule by the military, which among other things was guaranteed a quarter of all seats in Parliament. The referendum took place on 10 May 2008, barely a week after Cyclone Nargis had killed more than 130,000 Burmese and displaced millions more (official sources nonetheless claimed 98 percent turnout and a near-unanimous "yes" vote). Then came the bogus 2010 parliamentary elections and a lopsided majority for the USDP.

The first six steps of the roadmap were completed under Than Shwe, a general well known for his personal dislike of Suu Kyi and a figure who appears on the list compiled by Reed Brody of Human Rights Watch of ex-dictators who deserve to be called to account for their crimes.¹ When he retired on 30 March 2011, he felt confident that he had not only solidified military primacy but had also ensured that none of his successors could amass enough power to turn against him the way that he had turned against his predecessor Ne Win. The constitution's distribution of power across a number of "democratic" institutions seemed cleverly calculated to allow Than Shwe to play potential successors against one another. In addition to arranging for Thein Sein to become president, Than Shwe installed his third-in-command, Thura Shwe Mann, as speaker of the lower house. Hard-line second-tier leaders headed the USDP while General Min Aung Hlaing, a relatively junior officer, was named to the once all-powerful post of military commander-in-chief.

The seventh and hardest step is now at hand. It is too soon to say precisely what the generals mean when they talk of building a "modern,

developed, and democratic” state. Likewise, it is also too soon to say how many hard-liners remain in posts from which they can undermine reforms. But it increasingly appears that the government’s goal is to set up a system—run by a military-backed dominant party—that will bring all political and ethnic forces within a single constitutional framework and pursue economic development more or less in the style of Malaysia or Singapore.

The China factor. In the wake of the August 1988 democracy uprising, the May 1990 elections, and the regime’s refusal to respect the verdict of those elections, the United States and other Western countries imposed sanctions, denied multilateral loans and assistance, and increased international political pressure on Burma. Facing all this, Burma’s military rulers tacked away from their usual nonaligned policy and turned to China for military, political, and economic support. Over the next two decades, not only did Burma become more dependent on China, but Burma’s importance to China in terms of natural resources, regional economic integration, and security grew.

In 1988, total trade between China and Burma had been worth a mere US\$9.5 million. A year later, it exploded, octupling to \$76 million. By 2009, China had displaced Thailand as Burma’s largest trading partner. In 2010 and 2011, trade with China was worth \$4.7 billion, or slightly more than a third of all Burma’s trade. Burma sells China lumber, gems, seafood, marble, coal, nickel, and other natural resources, while China floods the Burmese market with cheap finished products from foodstuffs to electronics.

Investment has followed a similar path. From 1988 to 2012, Burma received about \$41 billion in Chinese investment. China has now passed Thailand as Burma’s biggest investor. If all the Chinese investments and business ventures hidden from public accounting were included, China would have an even more commanding lead as Burma’s largest single source of trade and investment.

The sector that draws more foreign investment than any other is oil and natural gas. According to EarthRights International, 69 Chinese-owned multinational corporations are involved in more than ninety hydropower, mining, oil, and natural-gas projects in Burma.² In August 2007, the Burmese junta confirmed the sale of natural gas from the lucrative Shwe gas reserves, the largest field in the Bay of Bengal off the Arakan coast of Burma, to a Chinese state-controlled company.³ A number of well-informed analysts have speculated that the regime selected the company controlled by the Chinese government (over Indian and South Korean companies) for the lucrative contract in return for the support that Burma received from China at the UN, including the use of its veto in 2007 to block a U.S.-led resolution on Burma. This was the first time since 1973 that Beijing had vetoed any matter not related to Taiwan.⁴

In 2009, China began to build a twin pipeline for oil and natural gas that will run from Burma's west coast through ethnic-minority areas in the northeast all the way to the southern Chinese provinces of Yunnan, Guizhou, and Guangxi. The pipeline will allow China to obtain oil and gas from the Middle East and Africa as well as natural gas from Burma itself without having to worry about shipping it through the strategically vulnerable Malacca Strait.

Burma's dependence on China reaches beyond economics to security relations. After the military's bloody August and September 1988 suppression of the so-called Four Eights Uprising (it began on 8 August 1988) and the subsequent Western arms embargo, China became Burma's major supplier of weapons, on credit and at low "friendship" prices. The Burmese junta provided China with resources and other concessions in exchange for cash, supplies, and armaments. China's military also began to train Burmese officers both in China and in Burma. China's investment in the Burmese military is closely tied to Beijing's goal of building a world-class bluewater navy by 2050: Burma offers China the possibility of a direct window on the Indian Ocean.⁵

Even though Burma's generals knew that their country's international-pariah status made Chinese political and diplomatic protection crucial, they showed signs of worry. They began seeking military equipment and training from India, Russia, Pakistan, and even North Korea.⁶ Burma's military relationship with North Korea was publicly noted as early as the 1990s but did not capture headlines again until it was exposed in a 2010 documentary titled *Burma's Nuclear Ambitions*. On 12 June 2011, the U.S. Navy turned back a North Korean ship with military cargo headed for Burma.⁷

Just as China sought to expand its economic influence in Burma, so did Burma's other neighbors. In 1991, Indian prime minister Narasimha Rao began a "Look East" policy that sought to link India's recently liberalized economy with the dynamic "tiger" economies of Southeast Asia. Six years later, Burma and Laos became the last two of Southeast Asia's ten countries to join ASEAN. Burma's rulers, though not directly challenging Chinese influence, were cautiously moving to dilute it with additional allies and greater regional economic integration.

Such a direct challenge to Beijing would become one of the more striking developments of 2011, however. On September 30, President Thein Sein announced the suspension of work on the Chinese-built, Chinese-funded Myitsone Dam. The dam is largest of eight that China had been planning to build on the Irrawaddy River. The vast hydroelectric project, begun in 2006, involved the creation at Myitsone of a reservoir with a surface area larger than that of Singapore.

Earlier in 2011, researchers, activists, and media organizations in Burma had started ringing alarm bells about the dam's environmental, economic, and human costs, capturing the country's imagination and

prompting a sense of public urgency around the need to protect the Irrawaddy River, the country's largest and most important waterway. Although few of the reform measures had yet to take effect, it was already apparent that public mobilization around the dam presented a challenge to the new government's commitment to reform, or at least the public-relations aspect of it. In part due to public concern, but more likely driven by strategic and economic considerations, including the potential harm to the important downstream agrarian economy, President Thein Sein's decision to suspend work on the dam was a clear indication of concern within the government about Chinese influence in Burma.

The Myitsone Dam decision signaled a change in attitude toward China's role in Burma, but not a break in relations. The Burmese government still depends heavily on its giant neighbor economically, politically, and strategically, and has expressed no desire to confront it. The NLD has been equally tactful in discussing the role of China. "So it is not true that we can't have good relations because of different systems," Aung San Suu Kyi has stressed. "Burma and China have enjoyed very warm and friendly relations, and problems were peacefully settled whenever they arose."⁸

For Thein Sein and the new generation of military leaders under him, it seems that the reform opening offers a chance to begin steering their country cautiously away from overreliance on China, which they believe has taken advantage of Burma's isolation, and to interact more closely with the West.

Fear of another uprising. During the military's time in power, it has felt pressure not only from abroad but from at home as well. Although the military had long dealt harshly with public expressions of discontent—most recently in September 2007, when it brutally suppressed the Saffron Revolution—by 2010 the soldiers seemed to grasp that something fundamental had changed. Were they worried and wearied by the thought of more international opprobrium and sanctions? Had they finally realized that a prosperous and modern, not to say a democratic state is unlikely to be built with clubs? For whatever reason, Burma's rulers appear to have understood—even before the Arab Spring came along and reinforced the lesson—that they could no longer simply lash out with force against protest as they had in the past.

As in 1990, when the junta of the day had underestimated the NLD's public support, the soldier-rulers failed in 2007 to understand the breadth and depth of discontent that lay behind early signs of unrest. The NLD was not the only source of organized domestic opposition. Recently released leaders of the Four Eights Movement led protests over oil and gas price hikes. In early September 2007, the regime met a peaceful demonstration by Buddhist monks in Pakokku with brutal tactics that quickly turned a small protest movement into a nationwide uprising. Before the

month was over, hundreds of thousands of monks and others would take to the streets in a direct challenge to military rule.

The Saffron Revolution was the first uprising in Burma to be shown on television. The Democratic Voice of Burma, a Norway-based satellite station, relied on a network of underground video journalists who offered something close to real-time coverage. The sight of legions of monks marching through the streets of Rangoon and other cities with their alms bowls turned upside down in a gesture of protest presented a direct and unmistakable challenge to a regime that had long tried to use Buddhism to legitimize its rule.

Eight months later, on 8 May 2008, Cyclone Nargis ripped through the Irrawaddy Delta. The massive storm and the flooding that it brought killed more than 130,000 people and left another 1.2 million homeless and desperate. The regime's initial response was to downplay the disaster and refuse international aid. Within a month, as Burmese citizens mobilized to respond and as international pressure mounted, the regime finally gave in, allowing in international aid and relaxing some restrictions on local civil society groups.

Little is known about the deliberations within the military that led to the decisions to meet the Saffron Revolution with brutal force and the aftermath of Cyclone Nargis with a ban on outside aid despite the suffering of millions of ordinary Burmese. It seems likely, however, that these episodes bred tensions within top military circles.

Reengaging the West. The regime wanted to reengage with the West as a way of lessening its dependence on China and gaining help in meeting its deep economic challenges, but it also recognized that it could not achieve this goal without engaging with its domestic opposition. For twenty years, the junta had sought to discredit, delegitimize, and decimate any opposition, no matter how peaceful. Not only did the regime's efforts fail, they had the unintended consequence of helping to ensure that popular support for the NLD-led opposition never waned. As is evident from the Saffron Revolution and the April 1 by-election, public support for the opposition has remained consistently high. The endurance, commitment, courage, and sacrifice of the activists have bolstered the legitimacy of prodemocracy groups, forcing the regime to accept that their acquiescence was essential to the successful rollout of a reform agenda.

President Thein Sein signaled as much when he met with Aung San Suu Kyi in the regime's new capital of Naypyidaw on 19 August 2011. Neither Burma nor the world at large, he knew, would be sold on his opening unless she approved it. The centrality of her role in legitimizing the process and, by extension, giving the international community a green light to reengage Burma was underlined again when U.S. president Barack Obama sought her opinion prior to sending Secretary of State Hillary Clinton to Burma in December 2011.

Worries about falling behind. Closely related to the government's concern with containing public discontent was a growing recognition that Burma was falling ever farther behind its neighbors. Despite their country's relative isolation, Burmese officials were painfully aware of Burma's economic and social failings. As one of the world's least developed countries, Burma lags even the poorer Southeast Asian countries, and trails especially badly when compared to such nearby economic powerhouses as Malaysia, Singapore, and Thailand. In 2010, the UN Development Programme's Human Development Index ranked Burma 132nd out of 169 countries, the lowest in Southeast Asia.

Although Burma's exposure to trade and foreign direct investment (FDI) is expanding, its economy remains among the region's slowest-growing. Trade and investment mostly revolve around the extraction of natural resources, while the labor-intensive agricultural and manufacturing sectors go begging with just 1 percent of FDI. What is worse, the regime has wasted the country's natural-resources windfall on white elephants such as the new capital at Naypyidaw—a project that the International Monetary Fund estimates may have cost Burma as much as 2 percent of its annual GDP for 2006.⁹ By the government's own official statistics, it allocated 23.6 percent of its 2011 budget to military spending, while spending a mere 5.4 percent on education and health combined.¹⁰

Tough international sanctions—including targeted financial measures enforced by the United States—have compounded the disastrous effects of Burma's poor economic policies. Although it is difficult to measure the impact of the sanctions, President Thein Sein has made lifting them a key goal in discussions with Western leaders, UN officials, and his ASEAN counterparts.

Managing the Transition

The shift that now appears to be underway in Burma raises questions not only of motivation and timing but also of management. In other words, how did Burma go from a military-dominated authoritarian state to a quasi-civilian government so quickly while avoiding a backlash by hard-liners and recruiting oppositionists into legitimating the reforms? Key to the reforms' success (or at least survival) have been constitutional guarantees for the military and hard-liners combined with a series of shrewd personnel assignments that have placed ex-generals in competing positions of institutional authority.

Those competing positions exist because Thein Sein's predecessor Than Shwe had been anxious to forestall the kind of power concentration and palace intrigues at levels just below the top that had led to the imprisonments and eventual deaths of both his immediate predecessors, Senior General Saw Maung (the 1988 coupmaker) and General Ne Win

(the original 1962 coupmaker), who died in 1997 and 2002, respectively. Than Shwe thus left behind a political system still under military tutelage, but without many opportunities for any one new figure to consolidate power beyond challenge by fellow generals.

The 2008 Constitution contains a number of provisions that protect military prerogatives. In addition to setting aside a quarter of the seats in Parliament for serving officers, it establishes a National Defense and Security Council with powers to declare states of emergency (a power the president also has) and name the commander-in-chief. The six fundamental constitutional principles, moreover, include the dictum that the military should “be able to participate in the national political leadership role of the state.” Amending any of these provisions requires a parliamentary supermajority of 75 percent as well as a national referendum.

The constitution provides for a number of new (or newly empowered) democratic institutions that include not only Parliament but executive and judicial bodies as well. The manner in which these institutions have been filled—whether by appointment or election—has been meant to ensure both that military men remain in charge and that no one senior officer can amass too much power vis-à-vis his peers. The effect has been less to democratize these institutions than to ensure that power is spread more broadly than before throughout the upper ranks of a military establishment that still calls the shots.

The 2008 Constitution requires that the president and the cabinet ministers, all of whom are elected MPs, resign from Parliament as well as their respective political parties during their executive-branch service. Since March 2011, this provision, meant to minimize the appearance of partisanship among national officials, has had the effect of putting distance between these officials and the ruling USDP. This is significant because the USDP leadership has generally appeared to be more cautious and conservative than President Thein Sein and his team. Thus the USDP, correctly foreseeing that the NLD would do well in the 2012 by-elections, had opposed holding them. It also pushed unsuccessfully to amend the constitution to allow executive officials, most of whom were USDP members, to retain their party affiliation. According to one of Thein Sein’s advisors, the president regards himself and certain other reform-minded leaders as one-termers.¹¹ If that is so, their lack of concern with staying in office should tend to put even more space between them and their party.

The success of the reform process hinges on opposition cooperation, particularly that of the NLD and the major ethnic nationality parties. Although the changes of the last eighteen months are often said to have been driven “from the top,” the opposition’s role in both pressing for reform and making reforms work has been critical. As noted above, President Thein Sein’s course change appears to flow in part from an understanding that there is no moving forward—whether politically, economically,

or strategically—without support from Aung San Suu Kyi and the NLD. Her backing both eased domestic pressure and made it acceptable for the United States and the broader international community to resume engagement with Burma.¹²

Civil Society, the NLD, and the Ethnic Groups

The reforms have altered the political climate in Burma. For the first time since the soldiers took over in 1962, the opposition is playing a formal and significant role in Parliament. Press censorship is easing, politically engaged independent organizations are forming, and exiles are coming home or at least pondering return. The military's hold on power is more diffuse and perhaps weaker. Yet as David Steinberg notes, the reforms appear driven in part by the soldiers' concern with retaining power.¹³ As long as reforms do not impinge on the military's political veto or its economic interests, the military and other hardliners are likely to tolerate a degree of political liberalization, including the incorporation of dissidents and ethnic leaders into the political process.

Prior to the 2011 reforms, there was little free space for the political opposition or civil society. Oppositionists remained largely underground, with only a few individuals able to work openly. Organized civil society groups were limited in size, scope, and mandate.

Yet as they have even during the most repressive eras of modern Burmese history, citizens continued to engage in the political life of their country. As the Four Eights Movement gave rise to important new forces including the NLD, student groups led by Min Ko Naing and others, and the once-important multiethnic Democratic Alliance of Burma, so the aftermath of the Saffron Revolution almost twenty years later inspired the formation of a number of new organizations and initiatives inside Burma that sought to operate in public and outside state control. By definition, these efforts were small-scale, informal, and quiet. Yet much as the 88 Student Generation Group had kept on organizing throughout the 1990s and 2000s, the groups that emerged during the Saffron Revolution sought to expand and strengthen their efforts, linking diverse communities in an effort to sustain and build on the momentum that the Saffron Revolution had generated.

Political space for civil society was at its tightest in late 2007 and early 2008, between the crackdown on the Saffron Revolution and the coming of Cyclone Nargis. The latter's devastating effects called forth an outpouring of citizen-led and international efforts to relieve the severe and widespread suffering born of the monster storm. While the Nargis response helped to carve out a space in which NGOs could operate, it was largely confined to the storm-ravaged zones along Burma's southern coast and was limited to humanitarian assistance and basic de-

velopment efforts. It extended neither to more politically sensitive sectors nor to conflict-prone ethnic areas.

When Thein Sein introduced reforms and relaxed controls on political organizations and civil society, political activists responded quickly and began to work more openly. The media began to test the waters by publishing photos of Aung San Suu Kyi and carrying material that had once been banned. Within months, activists opened training centers, organized to make their voices heard on environmental issues, publicized human-rights violations, and demanded improvements in labor standards. Democracy activists were also essential to the mass mobilization of support for Aung San Suu Kyi, who drew crowds numbering in the tens of thousands as she toured the country for the first time since 2003.

In addition, leading exiles were allowed to visit Burma for the first time in nearly two decades. Although civil society, including the media, is increasingly able to operate openly, it still faces tremendous pressures. These include the lack of a legal operating environment as well as a lack of clarity and consistency at different levels of government coupled with unchecked authority in the hands of various officials. To highlight one example of what this can mean, the Special Branch Police in Rangoon arrested at least 27 student activists on 6 July 2012. All went free the following day, but the authorities had made their point about how tenuous the operating environment for activists really is.

Just as civil society has learned to adapt to the new environment, the NLD has sought to position itself to exert maximum leverage on the reform process. Under Aung San Suu Kyi's direction, the NLD has pursued a strategy that seeks to embed the opposition within the current system without giving up the ability to contest any aspects of that system which need changing. The embedding process inevitably involves being at least conditionally coopted into the existing political framework, and necessarily focuses more on building institutions than on asserting autonomy vis-à-vis the military.

During this delicate phase, the opposition has chosen to work with the government to develop institutional capacity (whether legislative, bureaucratic, or judicial); to differentiate the functions of various institutions from one another; and to increase institutional complexity and professionalism. By choosing *not* to demand steps that would directly threaten the military—such as immediate constitutional changes meant to curb the soldiers' role or establish a federal union—the NLD has shown itself committed to gradualism. Its leaders realize that their odds of success will improve if they can find a way to strengthen reformers without antagonizing hard-liners, a group that is marginalized now but which could cause serious trouble down the road.

Embedding—claiming a place within the system—does not mean that Suu Kyi and her supporters must resign themselves to its failings or

avoid all contestation. As a sign that she grasps this, Suu Kyi has refused official requests to drop the name “Burma” in favor of the regime’s preferred “Myanmar.”¹⁴

Even as the NLD’s MPs work within the tight constraints of the non-democratic Parliament, the NLD will be able to use its presence in civil society and the media to challenge the regime’s poor governance practices. To cite but one example, fighting endemic corruption (a form of contestation) and working to establish the rule of law (a form of institution-building) are really two sides of the same coin. If the NLD can manage to find and stick to the right mix of participation and contestation, it could succeed in gradually steering Burma away from Thein Sein’s updated version of authoritarianism—what he calls “disciplined democracy”—and toward genuine democratization.¹⁵

The Challenge of Ethnic Relations

Although conditions in Rangoon have improved for the political opposition and other activists, life remains dire in the ethnic-minority areas where more than two of every five Burmese citizens reside.¹⁶ Sixty years of civil war have left the country prey to further violence, exploitation, and conflict. Since independence, the military has ensured the territorial integrity of the state through violence, repression, and political opportunism. If the military recedes from power and democracy begins to take hold, resolving the political divide between the ethnic minorities on the periphery and the ethnic-Burman majority that predominates in the center of the country will take on a new urgency. Unsettled ethnic conflicts and fragile ceasefire agreements are perhaps the most likely source of friction between the army and the current government, as well as any possible future civilian governments.

With serious fighting continuing in Kachin State in the far north and the human-rights situation still poor in the other ethnic areas, Thein Sein has publicly acknowledged that in order to mean anything his reforms must tackle the intensely troubled matter of interethnic relations.¹⁷ The twelve-member peace committee that he formed in May 2012 and tasked with talking to the armed nationalities movements includes himself, his two vice-presidents, the speakers of both houses of Parliament, the minister of home affairs, and the uniformed armed-forces commander. Over the past year, the government has secured ceasefire deals with a dozen armed ethnic groups. The government and the Kachin Independence Army continue to talk in the midst of ongoing fighting.

As the June 2012 outbreak of communal violence in Arakan State on the west coast has made clear, outbursts of violence not tied to the ceasefire talks could yet derail the reform process. Tensions between the state’s Arakan (and mostly Buddhist) majority and the Muslim Rohingya minority are far from novel. What is new is the government’s

public handling of the matter. The violence in Arakan State erupted following the rape of a Buddhist Arakan girl by three Rohingya men and a retaliatory mob attack on a group of Muslims in another town that left ten dead. Dozens more have since died in full-blown communal violence. Facing pressure to respond, President Thein Sein tried to stop the mayhem by declaring a public emergency in Arakan State. Although his declaration was widely applauded at home even as looting, arson, and mob clashes (not to mention alleged state-sponsored abuses) continued to spread in that strife-torn part of Burma, his proposal to the UN to resettle the Rohingya drew sharp international criticism.

The political transition—if that is what it is—in Burma remains tension-wracked and far from complete. The reforms have liberalized the political environment to a degree, but they cannot lead to democratization absent major constitutional reforms.

The government faces immense challenges. Its ability to meet them is less likely to be undermined by open hostility from within the military (it seems that everyone is a reformer in Burma these days) than by such ills as dire poverty, a broken health-care system, a poorly educated populace, and civil war in ethnic areas. The state itself, moreover, is hobbled by institutional incompetence, bureaucratic dysfunction, pervasive corruption, a lack of funds for even the most basic public services, and an authoritarian political culture.

Saddled with a corrupt and weak government and deep-rooted animosities, Thein Sein will need to do what he can to manage the elite and institutional rivalries that go on behind the scenes within official and military ranks. His goals must be to improve the provision of basic public goods; to end the civil war in Kachin State and shore up fragile ceasefire deals elsewhere (they are all currently military rather than politically negotiated agreements); to expand cooperation with Aung San Suu Kyi and various opposition forces; and to begin the sorely needed process of building up institutions to face the future.

The success of the reform effort will depend in part on how those who stand to lose the most respond. Thein Sein has so far faced surprisingly little opposition—that we know about—from within the military or the USDP. Yet the prospects for a backlash remain real. To help guard against this, the government should revisit the electoral system to steer it away from the dangers of plurality voting.¹⁸ The NLD's sweeping win in the April 2012 by-elections hints at an NLD landslide in 2015. The adoption of a mixed system that combines proportional and majoritarian representation might reduce the threat of a regime backlash against an NLD that has "run the table" and hence appears highly threatening. The current plurality system, moreover, may serve to dilute the strength of smaller democratic parties, most importantly ethnic-minority parties, thereby creating tension between the NLD and its allies among these groups.

The success of the reform effort will also depend in large measure on how Burma's political leadership—including the current government, the military, the NLD, and ethnic leaders—handles the structural and political issues that have eroded any sense of national unity or identity and led to a highly contested state. The old question of the state's fundamental nature cannot be avoided. Is it a Burmese-speaking Buddhist country with a large minority population but with ethnic Burmans more or less in the driver's seat? Or is it a multiethnic country in which everyone has an equal claim on what it means to be Burmese? Failure to face this question will not only guarantee more human-rights abuses in the ethnic areas, but also undermine any prospect of creating a just and enduring democratic state.

The main challenge now, therefore, is less democratization *per se* than the building of a state in which democracy can take root and grow. For the substantive democratization process, the real test will be how the transition proceeds in the aftermath of the 2015 elections.

Looking Toward 2015

Those elections, unlike the April 2012 by-elections, have the potential to significantly alter Burma's basic power structure. Thus they represent a far greater threat to the military and other hard-liners than the by-elections did. If free and fair, the 2015 vote would be the first time in more than six decades that Burmese citizens would have a say in how and by whom they are to be governed—a voice that is unmistakably aligned against continued military rule. The patterns and trends of the past quarter-century strongly suggest that the NLD will win a majority of the popular vote, as it did in 1990 and 2012. The regime-backed USDP will lose heavily, even in military strongholds. The ethnic-nationality parties, the largest and most important of which are allies of the NLD, will remain dominant in their respective constituencies. Other, smaller prodemocracy parties will continue to draw support but will not likely be in a position to challenge the NLD.

Although the military will continue to hold a quarter of the seats in Parliament and will retain power via constitutional provisions meant to block the establishment of a true democracy, a resounding victory for the NLD and its allies will mark an even starker divide between the new reform era and the past sixty years of military rule. Moreover, if free voting under the current electoral system leaves the USDP—and hence the military—with few parliamentary seats, the NLD and the ethnic nationalities will be in a strong position to push for greater democratization. If reformers predominate within the government, this could indeed lead to deeper democracy. But if hard-liners come to have the upper hand, there could be a repressive backlash.

Election results aside, constitutional issues and unresolved questions

of ethnic autonomy will ensure that the political climate in Burma remains tenuous. As in other postconflict or transitional states, no one should expect the first elections to resolve all issues, but instead should see them as setting the table for what one must hope will be the smoothest possible “pacted” transition, premised on power-sharing agreements negotiated among the broadest array of forces that can be included in talks. Electoral-system reform may reduce the risk of a backlash by giving the old guard a stake in the new system and by granting fairer representation and voice to minority parties.

At the end of the day, the military will have to be persuaded to accept the outcome. For this, public contestation and free balloting alone will not suffice. The 2015 elections loom as a turning point in Burma’s political life, but all will depend on skillful deal making between the military and the democratic (including the ethnic) opposition. Burma needs the rostrum and the ballot box, but it needs the bargaining table too.

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