THE UNITED STATES AND JAPAN: ASSISTING MYANMAR’S DEVELOPMENT
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Preface

FEW COUNTRIES IN THE WORLD face challenges as daunting as those faced by Myanmar. Suppressed by years of military rule, Myanmar ranks in the bottom quartile of all countries in the world in human development, doing business, governance, national stability, global competitiveness, and democratization. The world’s longest civil war has dragged on in Myanmar for 60 years, and it was only six years ago that the country took its first steps away from military dictatorship.

Yet many in Myanmar and outside are optimistic about its prospects. The armed forces continue to hold many of the reins of power, but not all. Elections scheduled for November of this year hold the promise of being conducted competently and openly (with foreign and civil society observation), and the opposition party is favored; the government is making progress on a nationwide ceasefire with ethnic minorities; the economy is growing at over six percent per year; and a great deal of international investment and assistance is flowing into the country.

Sasakawa USA hosted a conference in March 2015 about prospects for U.S.-Japan co-operation in assisting Myanmar’s economic and political development. Representatives from Myanmar itself, both government officials and private leaders; the U.S. and Japanese governments; and non-profit organizations and universities provided a multi-faceted view of events and prospects in Myanmar. The papers in this volume were written by conference participants and provide historical background on Myanmar’s development, information on its relationship with both the United States and Japan, descriptions of Myanmar’s needs and government plans to meet those needs, and accounts of current assistance activities by both the United States and Japan.

It is clear that Japanese and American objectives for Myanmar reinforce the ambitions of Myanmar itself, and that the activities of these two outside countries are complementary. It is our hope at Sasakawa USA that the discussions at the conference inspired its participants by conveying the importance of their mission and of working together to help Myanmar achieve the prosperous and free future its people deserve.

Dennis Blair
CEO and Chairman of the Board
Sasakawa Peace Foundation USA
Notes on Names

After independence, the country’s official title in English was the Union of Burma, while in Burmese it was Myanmar Naingandaw—literally, “the royal country of Myanmar,” a centuries-old written name. In July 1989, the military changed the name of the state to Myanmar (officially now the Republic of the Union of Myanmar), which was accepted by most countries and the United Nations. The United States, the United Kingdom, and a few other states did not do so, following the Burmese opposition’s objection that the new name was unilaterally imposed without the people’s approval. This position was strongly upheld by Aung San Suu Kyi, who won the Nobel Peace Prize in 1991 for her fight for democracy. The use of either term in the United States became a surrogate indicator of political persuasion.

Myanmar, as a term, was assiduously imposed by the country’s government for all periods and circumstances, based on claims that failure to recognize the new name would be an insult to the state.

In this report, Myanmar is used for the period since 1989, Burma for previous eras, and both together to indicate historical continuity. Burmese is used as an adjective, for the language, and for all citizens of that state. Burman refers only to members of a specific ethnic group, the largest in the country. Individual authors use these terms at their discretion.
Introduction

David Steinberg

The United States and Japan have for two generations developed a singular alliance important for each in a wide variety of fields, institutions, and international fora. In those seventy years, and in spite of World War II memories, over two-thirds of Americans of all political persuasions and ages have indicated an affirmative attitude of trust toward Japan, and associate the Japanese people with positive attributes.¹ This bilateral relationship has become the lynchpin of U.S. policy in East Asia. Japan regards the United States as a powerful guarantor of its continued security.

The closeness of these bilateral ties has been subject to strains in the case of Myanmar, still called Burma by the U.S. government. However, since the inauguration of the Republic of the Union of Myanmar under a reformist administration on March 30, 2011, the U.S.-Japan relationship has been augmented by parallel and complementary policies toward Myanmar.² This positive development ended over two decades in which, in response to the 1988 military crackdown on a nationwide democracy movement and subsequent violations of human rights, the United States stopped economic assistance, prohibited imports, imposed sanctions, advocated regime change, and attempted to persuade other states to join in isolating the country’s rulers—military juntas known as the State Law and Order Restoration Council (SLORC, 1988–1997) and later the State Peace and Development Council (SPDC, 1997–2011).

Japanese aid had been, until 1988, about half of all bilateral and multilateral foreign assistance provided to Burma since the two countries normalized relations in 1954. Arguably, without this assistance, Burma’s continued relative stability would have been in jeopardy, as this

¹ Pew Research Center and Sasakawa Peace Foundation USA, Americans, Japanese: Mutual Respect 70 Years after the End of WWII, April 7, 2015.
² Sometimes referred to as “quasi-civilian” because of the overwhelming prominence of retired military in key positions.
period was characterized by military domination and destructive economic and social policies instituted by the Burma Socialist Programme Party (BSPP, 1962–1988). From infrastructure construction—including the most important hydroelectric project in the country (Beluchaung in the Kayah State)—to manufacturing and assembly projects and imports of consumer goods, Japanese economic influence was pervasive. The history of the early years of Japan-Burma relations helps explain the importance of the ties between the two countries.

The relationship between Burma/Myanmar and Japan has been unique from each state’s vantage point. Japan had trained influential, anti-colonial Burmese leaders before World War II, and later brought the country a kind of pseudo-independence in 1943 after defeating the British, who had colonized Burma more than a century before. Japanese military objectives in Burma in World War II were several: cut Western assistance coming into Nationalist China through the Burma Road, use Burma as an invasion route to conquer India, control its ample rice production, gain access to its oil, and end Western colonial exploitation and rule, in part, for the psychological and political impact.

Many in Japan view Tokyo’s wartime policy in Southeast Asia as liberating the region from colonial rule. That view, however, is only partly accurate since the Japanese imposed post-colonial authoritarian administrations in the region, including in Burma. Both Aung San, the father of Burmese independence, who was assassinated in July 1947, and Ne Win, dictator from 1962 until 1988, were among the “Thirty Comrades” trained by the Japanese to assist them in their invasion of Burma in 1941. The closeness of Japan’s ties to the Burmese during the Ne Win period were a product not only of the amount of assistance provided by Japan and Ne Win’s respect for the Japanese economic development model, but also of the personal relationship that Ne Win had with the Japanese. Although the Burmese turned against the Japanese in March 1945, Japanese influence was clearly important in the formation of Burma’s army.\(^3\)

For the Japanese, Burma seemed to engender mixed emotions after the war. There was sympathy and nostalgia for a Buddhist country in which two-thirds of all Japanese forces were killed during the war. That sentiment was captured in literature and on film in the popular 1956 Japanese movie, “Harp of Burma,” portraying a Japanese soldier who remains in the country after surrender as a type of monk to help bury the dead.

After Burma’s independence, Japan sought access to the country both as a potential market and for its natural resources—Burma’s population was about 16 million in 1945, and the country had been the world’s largest rice exporter (3.12 million tons in 1940), a major energy exporter, and the site of large amounts of other important natural resources. As it did in other Southeast Asian states after World War II, Japan used its reparations payments to Burma to help revitalize Japanese industry by stimulating demand for exports and creating other oppor-

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\(^3\) With Ne Win’s retirement as the chair of the BSPP in 1988 coinciding with the stoppage of economic assistance because of the repression and the coup, Japanese influence started to wane.
tunities for Japanese companies. Japanese assistance to Burma also bolstered Japan’s growing reputation as a compassionate nation assisting those who had suffered during the war and its dislocations.

From the reparations period until 1988, Japan supplied some US$2.2 billion in assistance to Myanmar, and between 1989 and 2011 some US$597 million as well as debt relief. As Annex 4 shows, Japan generally provided assistance in the form of low-interest loans, grants, and technical assistance, and also included major infrastructure projects, four industrial assembly plants, and a wide variety of consumer goods. Japanese influence was important until 1988; after that, with Ne Win’s retirement as chairman of the BSPP, a weakened Japanese economy, and U.S. pressure on Japan to sever its ties with the Burmese, Japanese influence waned. After 1988, U.S. policy focused on human rights and the introduction of democratic governance in (as the United States would say) Burma. In the early years after 1988, China’s “rise” offered no perceived threat to the region. However, it was during this period that China stepped in to provide both economic and military assistance to Myanmar in ways that caused considerable concern in Japanese foreign policy circles.

The U.S.-Japan alliance, overall healthy, was strained over Myanmar after 1988, as the United States strongly pressured Japan to impose sanctions and end assistance. With the failed people’s revolution and the coup that followed, Japan reluctantly withheld economic aid, but provided broadly interpreted humanitarian assistance and debt relief, and never imposed sanctions on Myanmar.

U.S. relations with Myanmar soured with the brutal suppression of the people’s revolution of 1988, the coup that followed, and further military domination—a domination imposed as a result of the 1962 coup but in fact ever present since independence. Following the National League for Democracy’s (NLD) May 1990 sweeping election victory (whether for a new constitutional convention or a new government is disputed), U.S. policy focused on “regime change.” Legislative and executive sanctions were imposed seriatim, and it is fair to assert that U.S. policy toward Myanmar was heavily influenced, even determined, by the purported and actual views of opposition leader Aung San Suu Kyi, who remained under house arrest for much of that period. The daughter of independence leader Aung San, Aung San Suu Kyi was married to

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5 Japan made the loans in yen, so as the yen strengthened from ¥360=$1.00 to ¥240 and lower, Burma’s cost in paying off yen-denominated loans increased dramatically.
7 Japan launched two major projects after 1988 before resuming economic assistance: the rehabilitation of the Baluchaung hydroelectric project and the Yangon (Rangoon) airport. The United States regarded both as infrastructure projects, but Japan reportedly categorized them as “humanitarian” assistance since they protected the people of Burma from airplane crashes and provided them electricity.
a British academician, but had returned to Burma to care for her ailing mother, a former ambassador to India. She was placed under house arrest after she mobilized a democratic anti-military coalition. In 1991, she won the Nobel Peace Prize, securing her international position as a leading non-violent human rights advocate. With her increased stature, she was able to influence strongly both the U.S. Congress, to which she had a high degree of access, and the executive branch, reaching to the secretary of state and the White House.

The government of Burma/Myanmar has often been characterized as isolationist for cutting the country off from outside influences. This is only partly correct. Under the Ne Win BSPP regime (1962–1988), when the West was shunned for the most part, Japan’s role remained important. Moreover, after 1988, Burma/Myanmar tried to encourage foreign investment and tourism. It was the United States, backed by the European Union, Australia, and Canada, that attempted to isolate the country and force “regime change.”

Signals from Myanmar that the country was willing to entertain reform and recognition that the sanctions and isolation policies had not achieved their objectives prompted the Obama administration to make policy alterations, resulting in the new “pragmatic engagement” policy that retained the sanctions but encouraged high-level dialogue. Relations improved as the Burmese initiated, broadened, and deepened reforms. Beginning in 2009, the Burmese took tentative steps toward liberalization with the release of political prisoners, relaxation of censorship, and other reforms. Although a conspicuously manipulated referendum approved a military-dominated constitution in May 2008, and clearly contrived elections followed in November 2010, the new administration under President Thein Sein that came into office on March 30, 2011, began sweeping, if slow and unbalanced, reforms. Those reforms were regarded as a major success of the Obama administration’s East Asia policy. As a result, the secretary of state visited the country, as did the U.S. president (twice); the United States appointed its first ambassador to Burma/Myanmar since 1990; and the United States Agency for International Development (USAID) restarted its economic assistance program for the first time in 23 years.

This history provides the background for an analysis of present conditions, future prospects, and the possibility of U.S.-Japan collaboration to assist Myanmar’s continuing economic and political development.

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8 The EU withdrew its military attachés from the country, but the United States wisely kept its attaché in place in recognition of the importance of maintaining military ties even when bilateral relations soured.
9 During this period, U.S. relations with the Association of Southeast Asian Nations (ASEAN) improved as a product of better U.S. relations with Burma/Myanmar.
10 The USAID program was expelled in 1954 because of clandestine U.S. support for Chinese Nationalist forces (KMT) that had retreated to Burma. Rejected a few years later, the United States stopped it following the coup of 1962, but restarted it again after 1979 at the request of the Ne Win government.
Conditions in Myanmar

Since Burma’s independence in 1948, the country’s military (Tatmadaw) has played a critical role in holding together the fractious and fissiparous elements of the “Union” of Burma. Indeed, the military believes it, alone, has held the state together in the face of two communist rebellions, militias controlled by powerful local leaders, and ethnic rebellions that proliferated over time. The military’s primary, stated objective has been national unity. Moreover, the Tatmadaw holds a corollary belief that civilian politicians threaten the country’s unity due to their venal, corrupt, self-seeking, and narcissistic plans and actions. The military regards many minority ethnic groups as bent on secession—especially Christian and Muslim ethnics groups and those with ethnic affiliations abroad (e.g., the Shan with the Thai). The Tatmadaw intervened in what has been called a “constitutional coup” (authorized by the legislature) to replace civilian rule in 1958 with a “caretaker government” for 18 months, after which it returned the state to civilian control. However, as the civilian government proved incapable of addressing economic and other crises, and ostensibly also prompted by fears of minority secession, the Tatmadaw staged another coup, this time designed to perpetuate military control through the Burma Socialist Programme Party. The BSPP, the country’s only legal party, was formed by the military, and in its first decade, most members were active duty military.

This military-run, single-party system, designed on an Eastern European communist model, failed both politically and economically. It was replaced in a third coup in September 1988 with a new system designed to shore up the failed military-dominated state under revamped Tatmadaw control.

The Tatmadaw, in an effort to garner political legitimacy, had agreed to a multi-party election even before the 1988 coup, though it is unlikely that the military would have been willing to completely divest itself of essential power. Following the government’s defeat in the May 1990 elections, the results of which the Tatmadaw ignored, Tatmadaw leaders belatedly recognized that Myanmar (as the military renamed the state in 1989) needed to move from rule by decree (essentially martial law) to a more representative (but controlled) system. In 2004, the government announced a seven-point plan to move the country to, as the head of state characterized it, a “discipline-flourishing democracy.” This involved completion of a new constitution, initiated in 1992, followed by its approval in a national referendum, multi-party general elections, and the installation of a new, ostensibly civilian, government. Myanmar completed all these steps by March 30, 2011. In some idiosyncratic sense, then, and generally unrecognized in the West, the Tatmadaw can claim some success in overcoming the barriers imposed by Ne Win’s previous, military-led administration and in forging a new state.

However, under the new constitution, the Tatmadaw could still participate in economic and political activities. It also retained power over the constitutional amendment process and held on to its commitments to a unified state, national sovereignty, and its autonomy from ci-
vilian control. In addition, 23 out of the 33 permanent secretaries (the highest-ranking civil servant in any ministry) who have served in the new system have come from the military (one is an active duty brigadier), ensuring loyalty to military roles and viewpoints and providing continuity and control of the bureaucracy. Retired military officers also hold virtually all director-general positions in sub-ministerial offices and departments. The Tatmadaw’s conception of its various roles in national affairs remains expansive. That conception frustrates many in the West where the military’s role is strictly constrained by civilian control.

No other military in Asia exceeds the Tatmadaw in terms of years (since 1962) of maintaining national prominence and political control. The Tatmadaw’s long hold on power derives from basic elements of coercive force, but also, and in contrast to other societies run by militaries in Asia, through its dominance of all avenues of social mobility. This status has given the Tatmadaw a role only now diminishing due to greater international contact, a more open political process, an economy welcoming both local and international private sector activities, a burgeoning civil society, a more open educational system, and greater freedom of thought and of the press. Yet a lack of trust permeates the state. The military distrusts civilian politicians—and they return the feeling. The Burman majority distrusts the ethnic minorities, and this emotion, coupled with fear, is reciprocated. Religious distrust is evident, as is fear of foreign influence and control.

The changes that have taken place under the stewardship of President Thein Sein (and with the concurrence of Senior General Than Shwe, who served as head of state from 1992–2011) have been as widespread as they have been unanticipated, outpacing those of any other country in the region. Most foreign observers and Burmese believed that a discipline-flourishing democracy would have more discipline and less democracy than has proved to be the case. Yet Myanmar’s remarkable progress has also produced a level of international expectation that no amount of realistic and positive change could attain. Indeed, progress has not been uniform across sectors, including the media and students, which has led to charges of “backsliding.” When compared to the authoritarian junta period, however, Myanmar has made remarkable strides.

For example, Myanmar significantly reformed its economy. Although the country abandoned socialism after the 1988 coup and enacted a foreign investment law (although with the continuation of the dirigiste attitude of state-private sector relationships), few effective chang-
es took place until the inauguration of the new government in 2011. Under President Thein Sein, Myanmar introduced a unified exchange rate regime, granted the central bank more autonomy, opened markets, and made efforts to improve the lot of farmers, who had borne the burden of economic control under previous military regimes. The government formulated a 20-year development plan, and President Thein Sein specifically focused on the widespread problem of poverty. More broadly, the government has recognized and sought to ameliorate endemic corruption, a product of both unrealistically low official wages and more fundamental issues of weak institutions due to the personalization of power.

As groups and individuals in Myanmar have found more freedom in expressing dissenting opinions, some antagonisms in the society, long evident but unarticulated, have found avenues for popular expression. Strong anti-Chinese sentiment has become apparent due to the conspicuous and widespread economic activities of both China’s government and private sector. China’s status as the largest investor in Myanmar (some US$16 billion) and the ubiquitous role of Chinese in retail trade have engendered powerful fears that Beijing controls the country’s economy. Small-scale investments in retail trade, uncounted in official figures, add to the large-scale investments that pass through the Myanmar Investment Commission. Particular concerns developed over hydroelectric dams (especially the Myitsone Dam in the Kachin State, halted by President Thein Sein in September 2011, at least for the tenure of his presidency) because Burmese viewed them as benefitting the Chinese more than local communities.

While antipathy toward the Chinese has become apparent in the media, anti-Muslim feelings are even more pronounced. Members of the legislature, reflecting fears that Muslims threaten the foundations of Burmese identity and society, introduced bills to prevent the conversion of Burmese Buddhist women to Islam, hinder interfaith marriages, and limit Muslim families in Rakhine State to two children. The government has even delayed the release of 2014 census figures on religion over concerns that Muslims may represent a significantly greater portion of the country’s population than the four percent calculated in the 1983 census, since the new figures might spark even greater inter-communal violence than has already taken place throughout the reform period.

The Muslim issue has been exacerbated by the separate but related problem of the Rohingya, a Muslim group living in Rakhine State on the frontier near Bangladesh, territory that the Burmese conquered in 1785. The Myanmar government does not recognize the Rohingya as citizens of Myanmar or as a domestic minority group, instead considering most Rohingya illegal immigrants. Even the name, Rohingya, is not used officially or socially within Myanmar as Rohingya are regarded as Bengali, who should, in the view of many Burmese, return or be returned to Bangladesh. The Rohingya may be the most deprived group in Asia, and many have tried to flee the region by boat to the Muslim countries of Malaysia or Indonesia. The problem is complex, for the views of both sides are in part wrong. Rohingya claim they have lived in the
area for generations, and while this is true for some—there is evidence of Muslims in the region at least for several centuries—many migrated when Burma was simply a province of British India and thereafter, especially during the 1972 war for independence by Bangladesh.

The Myanmar government’s treatment of the Rohingya has caused worldwide adverse reactions. The problem has also created some disillusionment toward democracy-advocating Burmese, including Aung San Suu Kyi, who has remained publicly unresponsive to their plight. Burmese generally view any statements deemed pro-Muslim as potentially explosive, and so such statements made before the 2015 elections could result in a loss of votes for anyone making them. As a result, Aung San Suu Kyi has called for non-violence and the rule of law, but has avoided specific suggestions on improving the Rohingya’s conditions.

These anti-foreign sentiments—which may eventually be directed toward Westerners as more investment, tourists, and Western pop culture invade the country—are prompted essentially by a fear among many Burmese about the vulnerability of their culture and society to foreign influence and even control. Indeed, Burma became socialist because the colonial economy was seen to be in the hands of the British, Indians, and Chinese. Where, some ask, were the Buddhists in India, the home of Buddhism, when Muslims and Hindus inundated India? Buddhism is at the heart of Burman society, and equally strong among some of the minority ethnic groups. The honor and respect shown to monks is so profound that, when nationalistic monks proclaim Islam a threat to their religion and advocate violence against Muslims for denigrating Buddhist precepts, their statements are not publicly countered. Nationalistic monks are prevalent in Myanmar, as well as in Sri Lanka, and there are ties between these two groups. The perceived vulnerability of Myanmar to outside influence, although profoundly felt, likely underestimates the strength of Burman culture.14

This feeling of vulnerability, not often publicly articulated as such, when combined with a strong sense of nationalism, inculcated in the Tatmadaw especially, results in concerns that must be understood in the context of the profound changes that are taking place in Myanmar. Nationalism is apparent in dealings with foreigners, especially those who seem to approach Myanmar with what Burmese regard as arrogance. Nationalism is found not only in the Burmese majority community but among minority ethnic groups as well.

The central problem facing the state since independence has been majority-minority relations. Minorities with major Christian or Muslim populations are viewed by the majority as potentially disruptive or even secessionist. The Tatmadaw’s ongoing attempts to create an overarching national consensus has never succeeded, so Myanmar remains a state but not a

14 It may be significant that the best book describing Burman culture is still Shway Yoe’s The Burman: His life and Notions. Published in 1882 by Sir F. George Scott, its continuing importance as an accurate description of much of Burman life indicates the strength of Burman traditional attitudes. If the Burmans feel vulnerable, so do those Rakhine Buddhists who have generally held second-class status as a minority.
nation. For the Burman majority, the minority problem is exacerbated by the actions of the states surrounding Myanmar, as well as the United Kingdom and the United States, all of which have supported either rebellions or dissidents. Indeed, Japan is the only major state that has not supported dissident political or ethnic organizations, and so has some advantages in terms of how its work within Myanmar is viewed.

Some have argued that Myanmar’s reforms are fragile, and point out that constitutional provisions allow, under extraordinary circumstances, for the Tatmadaw to resume control over the state. Fragility is a matter of degree, however, and unless there is a national emergency of epic proportions (such as widespread Muslim-Buddhist riots in major centers of central Myanmar resulting in martial law), retreat from the reforms appears unlikely.

That does not mean, however, that reforms will continue to expand or that they will be uniformly and properly administered throughout the state and its institutions. The reforms will be influenced not only by whether there is fair access to ballots in the November 2015 elections and accurate tallies of them, but also by the campaign atmosphere and the lengthy period between the elections and the formation of a new government. The indirect elections of the president and two vice presidents will take several weeks and be followed by the week-long Thingyan Festival (New Year) in April 2016, so the new government will not be fully operational until May 2016.

The question of a national ceasefire accord before the elections complicates this whole process. Such a ceasefire is only the first step toward some form of federal peace within the Union of Myanmar, attainment of which will take years of negotiation. President Thein Sein has publicly called for some form of federal structure (requiring constitutional amendments), but the current government’s position remains undefined and, in any case, will be replaced after the elections. What is more, the ethnic groups have varying concepts of what a desirable form of federal governance should be.

The likelihood of a return to the authoritarian past, however, is remote. Any attempt to do so would probably result in widespread anti-government demonstrations that the state would have difficulty countering. Progress has thus been built into the system, although uniform, affirmative developments are unlikely even as positive change proceeds. Although many foreign

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16 Following the elections, the bicameral legislature will indirectly elect a president and two vice presidents. Three presidential candidates will be selected by the majority parties in the lower and upper houses and the military bloc in both houses. The parliament elects its president from this pool of three candidates. The remaining candidates become the country’s two vice presidents, a process that guarantees a military candidate occupies one of the country’s top executive positions. These positions cannot be held by anyone whose immediate family has members owing allegiance to a foreign power. As Aung San Suu Kyi’s sons are British citizens (as was her deceased husband), she is not eligible. This constitutional provision seems blatantly included to prevent her taking any such role, but the general chosen as vice president in July 2011 was denied that position because his daughter had foreign citizenship. Moreover, when General Khin Nyunt was Secretary-One of the junta, he publicly disowned his son after he married a Singapore citizen.
businesses and organizations await the results of the elections and the formation of a new government (and the predictability and stability that are prerequisites for investment), there has been sufficient progress to call for exploration of international cooperation between the United States and Japan in assisting Myanmar in a variety of socially-positive fields. It is to the current aid programs of these states that we now turn.

China has viewed the United States and Japan working in concert in Myanmar as a part of the two countries’ “containment” strategy towards China’s rise. Yet China does not oppose democratization, for it recognizes that a stable, legitimate government in Myanmar is in its best interests, and understands that any government in Naypyidaw will attempt to maintain good relations with Beijing.

The constitution mandates a continued, critical role for the military in Myanmar, which transcends any constitutional amendments currently advocated by any major politician. This fact should prompt consideration of how the military’s thinking might be broadened to improve its understanding of the economic development process, civil society and its importance, foreign affairs, and civil-military relations.

**Myanmar’s Needs and Japanese and U.S. Aid Programs**

The clear need for increasing Myanmar’s capacity in most fields and sectors is understood by the government and responsible outside observers. The opening of Myanmar’s society and economy has produced demands on an inadequately-staffed bureaucracy that in the past often substituted loyalty for competence. The education system never met international standards and few Burmese trained abroad—not enough to meet the need for expertise in managing Myanmar’s internal affairs or effectively use the foreign economic assistance now pouring into the country. If most of the responsibility for this lack of capacity rests with the Tatmadaw, the foreign community and the internal political opposition have also been at fault. They opposed previous apolitical technical training because they believed a more competent bureaucracy would help legitimate the government they resisted.

This situation has begun to change. Myanmar has invited trained Burmese back from exile in other countries to participate in government programs at very senior levels. More overseas training opportunities now exist, and technical assistance has proliferated. Translating all of the developments into a coherent program is an unenviable task, but longer-range planning now exists.

Yet the needs in Myanmar remain vast. Beyond the most obvious economic and technical needs are some with important political overtones. For example, the national legislature does not have the capacity either to assess societal needs or develop legislation to address them. This problem is exacerbated by even lesser capacity in the state and provincial legislatures. The political implications of this problem are often overlooked. If there is to be internal tranquility,
ethnic equity, and a meaningful peace process, the legislative bodies must have the capacity to analyze local needs, prescribe approaches for ameliorating problems, and monitor progress, all of which are currently lacking.

**Japanese Economic Assistance**

After 1988 until 2011, the United States pressured Japan to eschew economic development assistance to a state that Washington regarded as illegitimate. During that period, most Japanese assistance took the form of grants for humanitarian assistance and debt relief. However, Japan provided two loans for important projects approved under Japan’s official Overseas Development Assistance Charter. In 1998, Tokyo allotted ¥2.5 billion (US$19.8 million) for improvements to the Yangon airport; and in 2002, ¥628 million (US$5.3 million) for the renovation of the Baluchaung hydroelectric dam, a vital infrastructure facility initiated in the 1950s under Japan’s reparations assistance to Burma and perhaps the most successful foreign assistance project of that era. Reportedly, the Japanese government, at least verbally, considered the two loans as forms of humanitarian assistance because of the need for safety at the airport and electricity for the country’s citizens. The United States considered the projects economic rather than humanitarian, but their importance cannot be denied.

Total Japanese humanitarian assistance from 1988 through 2010 (the Japanese and Burmese fiscal years begin April 1) were US$290 million (¥ 30.5 billion) in grants and US$597 million (¥ 77.7 billion) in debt relief (See Annex 4).

With the liberalization of the political climate in Myanmar following the installation of the new government on March 30, 2011, the United States gradually modified its sanctions on the country, and foreign assistance increased dramatically. Japanese Prime Minister Abe visited the country in May 2013, and agreed to write off US$1.74 billion in debt owed to Japan; this was in addition to earlier debt relief of US$3.5 billion. Japan once again regained its position as Myanmar’s largest economic development donor. Its assistance portfolio was varied and included projects in the ethnic areas and in the development of ports, roads, and other infrastructure projects. Most visible and important was the Thilawa economic zone on the outskirts of Yangon. Planned to become operational in 2015, its initial stage covers some 400 hectares, with an additional 2,000 hectares expected. Thilawa has attracted widespread attention, and Japan is being careful to ensure that it compensates farmers whose land is taken for the project.

Japan has expressed interest, with Thailand and others, in the development of another major industrial zone at Dawei (Tavoy) on the eastern shore of the Bay of Bengal. This project would facilitate overland trade with nearby Thailand and offer a direct shipping route to eastern India.

Overall, Japan has committed close to US$8 billion in assistance to Myanmar during President Thein Sein’s administration.
Sasakawa Peace Foundation and Nippon Foundation Assistance to Myanmar

The Sasakawa Peace Foundation (SPF) in Japan and the Nippon Foundation, with which it is associated (Sasakawa Peace Foundation USA is an independent American foundation, but receives funding from SPF), have had a strong and long-term interest in Myanmar’s development and progress, demonstrated by the volume of assistance the two have provided, as well as the personal dedication of Ryohei Sasakawa, chairman of The Nippon Foundation, to the country (Japan has designated him as its special ambassador on minority affairs). Since 1999, SPF has provided almost US$4 million in grants, most of which were for human resource development and capacity building. The Nippon Foundation has provided almost US$73 million since 1976, pursuing programs in such areas as rural access to traditional medicines, assisting those with disabilities, and providing support for conflict-affected communities. Annex 6 lists the programs of Sasakawa Peace Foundation Japan in Myanmar and Annex 7, those of The Nippon Foundation.

U.S. Assistance

U.S. assistance to Burma/Myanmar began cautiously with small grants to a variety of local and international non-governmental organizations (it remained illegal to provide assistance to the Myanmar government). With the opening of the USAID mission in the country in 2011, a broader spectrum of assistance has been provided. And although many U.S. sanctions have been suspended or eliminated, some remain to prohibit assistance to particular individuals who were prominent in the previous authoritarian junta or their “cronies,” or to certain institutions directly under Tatmadaw control.

U.S. assistance is provided under the following categories:

1. National reconciliation and peace building;
2. Supporting democratic systems and institutions;
3. Expanding economic reforms;
4. Building resilient and productive communities; and
5. Humanitarian assistance funding.

Additional support has been provided to local non-governmental organizations. The total budget for U.S. assistance from 2011 to 2015, which must be approved by Congress, was US$276 million. Most of the assistance has been provided through contracts with a variety of educational and professional organizations, and much of it is for technical assistance. The administrative costs, salaries, and allowances of foreign personnel used by the intermediary organizations considerably reduce the final amount of assistance reaching Myanmar.
The United States does not currently provide assistance to the Tatmadaw, except for very limited, non-lethal, judicial and legal training through the Asia Pacific Center for Security Studies in Hawaii. Informal and unofficial discussions with Tatmadaw officials (active duty and retired) indicate that there is broad receptivity and interest in a renewal of their participation in the U.S. International Military Educational Training (IMET) program. At this time, Congressional concerns limit possibilities for cooperation, but should Myanmar’s reform process continue, there are possibilities that these attitudes may change.

**Myanmar’s Needs and Prospects for U.S.-Japan Cooperation**

Myanmar authorities and bilateral and multilateral donors all agree that the developmental needs of the country are significant. The confluence of goals for both Japan and the United States in the fields of economic and social development in Myanmar so obviously coincide that avenues for mutual cooperation should be explored. That exploration should be done in close collaboration with Myanmar. Indeed, Japan and the United States must treat Myanmar as an equal partner (too often donors pursue projects without adequately consulting and working with the host government and affected peoples).

In a conference organized in March 2015 by Sasakawa Peace Foundation USA on the potential for U.S.-Japan cooperation in providing assistance to Myanmar, the point was made that patience is essential. Whether for economic development or broader policy assistance in broader fields such as education, health, or the peace process itself, donors—and even local populations—expect instant success. In Japan, however, where assistance to Myanmar is less subject to immediate political consequences than in the United States, greater patience is possible.

Most important for improving the anticipated critical role of the Tatmadaw over the next decade, and an area of potential U.S.-Japan cooperation, is progress in civil-military relations—specifically, overcoming the intense hostility that has existed on both sides. Experience in other countries that have evolved from military rule demonstrates that these antagonisms, ranging from the institutional to the personal, require mellowing that only time and sound policies can bring.

Projects supported mutually by Japan and the United States in other appropriate fields, such as training, health, education, and the environment, may help bridge the civil-military divide. Other projects, including those aimed at broadening the views of key Tatmadaw personnel, could also assist the process. And although, at this writing, the United States remains reluctant to engage directly with the military in training efforts, Washington could encourage Tokyo to do so, perhaps employing academic and retired U.S. military in those endeavors.

Although assistance for the ethnic minorities is fraught with political problems, due to difficulties over past foreign involvement, Japan carries no such baggage. In collaboration with the United States, Japan could provide training opportunities both in Myanmar and abroad to
help ethnic minorities advance within the planned, but not yet articulated, federal system.

Both Japan and the United States employ non-governmental organizations in their development programs, and there may be ways for Japanese and U.S. NGOs to work together on either joint projects or separate ones that have coordinated goals and activities.

Attempts have been made over the years in a number of countries to bring Japanese and U.S. aid programs closer together, but too often they resulted in dissipated efforts that were not a high priority for either government. In Myanmar, however, both countries have shared interests and a substantive focus that could lead to better results. The governmental and non-governmental sectors in both Japan and the United States should, therefore, encourage joint or complementary assistance programs in the country.

**Conference Papers**

This conference and its conclusions were based on four premises. First, and most obvious, transitional economic and political development and relationships are extremely difficult to manage internally or for countries and organizations to assist externally. Second, specific to Myanmar, is that the Tatmadaw will continue to play a highly significant, and in many sectors, dominant role in the future of the state over the next decade and perhaps beyond. Third, the United States and Japan currently have complementary policies and program interests in Myanmar that should enable collaborative assistance efforts. Finally, Myanmar needs to improve civil-military relations, and together, the United States and Japan may be able to play a positive role in assisting that process.

The conference attempted to show the potential for U.S.-Japan cooperation in aspects of Myanmar development needs and opportunities. To do so, understanding the history of the complex relationship between Japan and Myanmar, between the United States and Myanmar, and between the United States and Japan on their respective approaches to events in that country is required. The papers solicited for the conference and the annexes presented in this publication neither make an attempt to be comprehensive nor aim at a unanimity of views among the various authors and participants. The reader will note often subtle differences of interpretation, and these differences quite naturally reflect the ambiguities present in considering the trajectories of Burmese society and development.

In Chapter 1, Donald Seekins describes the complex history of Japan-Burma/Myanmar relations in the context of the political changes within that country. He believes that two conditions are necessary for Myanmar to become a developed and stable country: amending the constitution to limit military power and achieving a permanent peace with the ethnic groups.

In Chapter 2, Priscilla Clapp deals with the present political configuration within Myanmar and the problems with and prospects for change. She discusses the expanded role of civil society, the peace process with the ethnic groups, the rule of law and judicial needs, and the
forthcoming elections in 2015.

In Chapter 3, Mary Callahan explores Western and Burmese societies’ different interpretations of the military’s roles in Myanmar, and how their translations of simple concepts can have highly significant variance. These differences lead to substantial, often critical, disagreements over the future roles for the Tatmadaw and its retired personnel.

In Chapter 4, Toshiro Kudo and Satoru Kumagai examine the Myanmar Framework for Economic and Social Reforms and the Myanmar Comprehensive Development Vision—the Myanmar government’s plan for socio-economic change.

In Chapter 5, Vikram Nehru brings generalities about economic and social reform into specific focus in the vital area of rice production.

In Annex 1, Aung Myoe offers a plan for developing a War College with a curriculum aimed at enhancing civil-military engagement and broadening military officers’ understanding of government, international relations, and development.

Outlines of the projects of both U.S. and Japanese aid programs are included in Annexes 2-4. The annual totals of Japanese assistance since 1988 (the year of the third coup) are provided, and recent Japanese projects are listed in detail to facilitate access to material otherwise difficult to retrieve in English. The USAID program is current as of March 2015, and thus excludes a program at Yangon University (“The Center for Excellence”) with the Johns Hopkins School of Advanced International Studies that was closed at the end of 2014. Annex 5 lists the current U.S. sanctions on Myanmar.

The papers and materials in this report are current as of March 2015. There have been political developments since then, but these have not been included in the materials.
Chapter 1

A “Special Relationship”: Japan and Myanmar, 1941–2015

Donald M. Seekins

Introduction

In this essay, I will discuss the development of World War II-era and postwar Myanmar-Japan relations and speculate about their future relations in connection with two questions. First, is the post-State Peace and Development Council period that began in early 2011 with the accession of President Thein Sein truly a break with the past vicious cycle of military rule, isolation, and poverty that afflicted Myanmar for over half a century? Second, what implications might the current environment have for Japan, both as a fellow Asian country and major aid donor?

Japan has played an important role in Myanmar’s development—some observers would say the most important role of any foreign country—since 1941–1942, when troops of the Japanese Imperial Army surged across the border separating Thailand and the then-British colony of Burma. Bilateral ties are often characterized as a “special relationship,” and many Japanese quip, “Myanmar is the closest country in Asia to Japan.” I propose that relations can be best understood by looking at the wartime-postwar timeframe as five distinct periods, reflecting both changes of great importance inside Myanmar and Japan’s response to them.

These periods are:

1. 1941–1945: the Japanese wartime occupation;
2. 1954–1962: diplomatic and economic relations between Japan and the independent Union of Burma under Prime Minister U Nu17;

17 “U” means “uncle” and is used as a title of respect for a mature man or a man who holds a senior position.
3. 1962–1988: close ties between Japan and Burma under military dictator Ne Win;
4. 1988–2011: protracted crisis after the State Law and Order Restoration Council junta violently seized power in September 1988; and
5. 2011–present: after the junta (reorganized and renamed the State Peace and Development Council) was dissolved, a new system of government under the 2008 Constitution was inaugurated, and President Thein Sein promoted a period of significant political and economic reforms. His “Myanmar Spring” witnessed major increases in Japanese Official Development Assistance (ODA).

The Japanese Occupation, 1942–1945

By mid-1942, the Japanese Imperial Army had gained control of most parts of Burma, save for some remote border areas. The colony’s British and British Indian defenders had been driven across the border into India in a military disaster second only to Britain’s loss of Singapore and Malaya. The victorious Japanese were aided by an indigenous armed force, the Burma Independence Army, whose officers (the “Thirty Comrades” led by Aung San) had been trained by the Japanese army on Hainan, part of Japanese-occupied China, on the eve of the war. In early 1942, the Japanese established a Japan-led military administration to the great disillusionment of Burmese nationalists, who wanted immediate independence. Although Japanese Premier Hideki Tojo proclaimed Burma’s independence within the “Greater East Asia Co-Prosperity Sphere” in 1943, the new regime, led by Burmese Premier Ba Maw, enjoyed little real autonomy. However, both the Burma National Army (established after independence in 1943) and a network of wartime, pro-Japanese political and social organizations, such as the East Asia Youth League, became happy hunting grounds for communists and nationalists, who under Aung San’s leadership switched their allegiance to the British in the closing months of the war. Even before the British “re-occupation” of Burma at war’s end, the mostly leftist “Thakins” were unhappy about making an alliance of convenience with the so-called “fascist Japanese.”

Japan’s Imphal Campaign from Burma into northeastern India, between March and June 1944, bled Japanese forces white, causing an estimated 80,000 deaths. Late in 1944, Allied forces began their offensive to liberate (or re-occupy) Burma, while the Japanese fought desperately to hold them back. In early May 1945, British and British Indian forces under the command of General William Slim recaptured the colonial capital of Rangoon (Yangon), three months before the Japanese surrender in August.

The wartime occupation was relatively brief, around three years, but its impact was profound. This was true for three reasons.

First, Burma’s modern armed forces, known today as the Tatmadaw, were established under Japanese auspices, and Burma’s independence leaders (Aung San, U Nu, and Ne Win) had
Second, the violent ethnic conflicts that have afflicted the country since independence in 1948 had their roots in the war. Burma was already weakened by Britain’s policy of divide-and-rule, especially the policy to divide the country into the separate ethnic areas of “Burma Proper” and the “Frontier Areas.” Then the Japanese invasion shattered the country’s fragile coherence as a society as most of the larger ethnic minorities (with the major exception of the Shans) remained loyal to the British, while the majority Burmans either supported the Japanese or were neutral. The British re-occupation of Myanmar in 1945 was one of the largest land battles in World War II; the country was flooded with weapons, and “pocket armies” sprung up everywhere. By the 1960s, after Ne Win established his military junta, minority groups large and small supported armed insurgents who fought, and in some cases are still fighting, the central government.

Third, the “White Legend”\(^{18}\) that Japan liberated the nations of Southeast Asia from the shackles of Western colonialism is an important part of the conservative Japanese worldview. That view sees the “Greater East Asia War” as a progressive effort not only to defend Japan from Western and Communist encroachment but also to establish a “Co-Prosperity Sphere” in which other Asian nations would enjoy prosperity and equality, free of racial discrimination. Michiko Hasegawa, a “revisionist” scholar of wartime history, argued that the independence of Southeast Asian countries was substantially aided by Japan, when she wrote:

> Did our Greater East Asia War really result in total defeat? The former colonies that all became battlefields all gained their independence during or after the war, and they have not fallen into white hands again. What are we to make of this fact? In the post-war years we were taught that this was an incidental byproduct of that detestable war. Yet as Japan’s official statements on war objectives make clear, the goals were to free Asia from British and American domination and establish the area’s self-defense and independence. Again, if one asks Japanese war veterans why they fought, the reply comes that they believed they were fighting to liberate Asia. And indeed, Asia was liberated.\(^{19}\)

If Prime Minister Shinzo Abe succeeds in making his conservative or “affirmative” view of the war a central part of the Japanese media and academic mainstream, the case of Burma will probably be held up as an especially happy example of Japan’s liberating mission—though how a future Myanmar government might react to this is difficult to say. Certainly the ethnic mi-

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\(^{18}\) The “Black Legend” (in Spanish, \textit{la leyenda negra}) is a term used by Spanish historians to criticize the allegedly distorted and exaggerated accounts of Spanish colonial atrocities and oppression, usually by foreign writers. Conversely, the term “White Legend” (\textit{la leyenda blanca}) is used to criticize the alleged whitewashing or idealization of the colonial period by Spanish writers, especially those of a nationalist (or Francoist) persuasion. The term seems appropriate to describe Japanese “revisionist” accounts of the war.

\(^{19}\) Michiko Hasegawa, \textit{A Postwar View of the Greater East Asia War} (Kyoto: Chuo Koron, 1984), 29-37.
norities, especially the Karens, Chins and Kachins, would object, as they have bitter collective memories of wartime Japanese oppression.

**War Reparations and Aid (1954–1962)**

The independent Union of Burma government under Prime Minister U Nu did not sign the 1951 San Francisco Peace Treaty, which ended the Allied occupation (in 1952) and reestablished Japan’s independence and membership in the international community. In the eyes of U Nu and his leftist colleagues, the signing of a security treaty by Washington and Tokyo, also in 1951, would make Japan an American-controlled bulwark against the Soviet Union in East Asia (in the words of a later Japanese premier, an “unsinkable aircraft carrier”), which was a violation of Burma’s fundamental policy of neutrality and non-alignment. Instead, Tokyo and Rangoon signed a separate, bilateral treaty on November 4, 1954, that normalized relations and obliged Japan to provide war reparations in the amount of US$250 million (US$200 million in goods and services provided by the Japanese government and US$50 million in investment and technical assistance to be paid out over ten years).

Probably the most successful reparations-era project was the Baluchaung hydroelectric project, constructed by Japanese companies in remote Karenni (Kayah) State, where anti-government guerrillas were operating. The project provides electric power for Yangon (Rangoon), though a subsequent lack of repairs to the facility resulted, until quite recently, in chronic power shortages in the old capital and the appearance of portable generators on its sidewalks. The original reparations and supplemental payments, known as “quasi-reparations” (US$140 million), also funded the “four industrial projects” including the assembly of cars, trucks, farm machinery, and electric appliances from parts supplied by Japanese companies. Small, chunky Mazda “jeeps” became a familiar feature of the Yangon cityscape, while high-ranking military officers drove around in Mazda sedans. But some Japanese observers regarded the “four industrial projects” as an egregious failure, because the goal of establishing a firm industrial base in the country was not attained, as reflected in continued dependence on made-in-Japan components.

**The Ne Win Period, 1962–1988**

Although General Ne Win, commander of the Tatmadaw, presided over the “caretaker government” of 1958–1960, this relatively brief exercise in top-down military rule was carried out in a constitutional framework, and civilian rule was restored after the 1960 general elections, which brought U Nu briefly and tumultuously back to power as leader of the Pyidaungsu Party. However, Ne Win, known as “Number One,” made his “soldiers’ government” more permanent on March 2, 1962, when he carried out a coup d’état that closed down Parliament, jailed U Nu and other politicians and began the long, dreary slog along the “Burmese road to socialism” in-
spired by the Soviet model of centralized state ownership, control, and planning of the economy. Ne Win’s Revolutionary Council junta, composed largely of military officers, nationalized enterprises large and small and persecuted the Chinese and Indian business classes who, since colonial days, had made the Burmese economy work.

Number One’s attitude toward democratic values was made abundantly clear when soldiers under the command of a loyal subordinate massacred student demonstrators at the University of Rangoon and blew up the historic Rangoon University Student Union building in July 1962. During the twenty-six years that Ne Win was in power (1962–1988), Burmese students repeatedly challenged his right to rule, especially in the mid-1970s. It was only during the massive nationwide protests of 1988 that the old dictator finally chose (or was obliged) to step down.

Although the government bureaucracy in U Nu-era Burma was not especially efficient, it did recognize technocratic norms, and in terms of inefficiency and corruption was probably no worse—and likely better—than those of Burma’s Southeast Asian neighbors, especially Indonesia. However, Ne Win created a one-man dictatorship in which he made all important decisions, and officials who wanted to keep their jobs quickly learned to echo whatever Number One’s point of view happened to be. Professional civil servants were replaced, especially at top positions, by military officers he deemed especially loyal, in conformity with the principle of *lu kaun; lu taw* (“good [loyal] people before smart people”). Ne Win expected all his subordinates to follow the old Burmese admonition: “If you eat even just a grain of the king’s rice, you are obligated to him for life.” He made life extremely unpleasant for those officers who did not measure up to his standards of loyalty. Although army officers who disagreed with him or became too powerful in their own right, such as Aung Gyi, Tin U, and Tin Oo, were not usually “liquidated,” they were cashiered and spent time in jail. It is not unreasonable to say that the Ne Win regime evolved over the years into a traditionalistic Burman monarchy dressed up in a rather poorly tailored and shabby Western (socialist) suit... or uniform.

During the Ne Win period, Burma became one of the poorest nations in Southeast Asia, due to erratic and even astrologically determined policymaking, incompetent management by soldier-managers of state enterprises, and the regime’s costly struggle to survive as it attempted to pacify a restless population. That population included not only students and other city-dwellers with economic grievances but also communist and ethnic minority insurgents in the border areas, who (with the notable exception of the Karen National Union, which eschewed the drug trade) operated drug-funded “mini-states” covering large tracts of territory. The regime’s attempts to strangle the nation’s huge black market inflicted hardship on small-time traders and the general population, but the underground economy flourished with active military participation.

Since a recipient country’s capacity to utilize aid effectively is of utmost importance to the success of ODA projects, the large amounts of ODA given by Japan during the Ne Win period—
Japan was by far Burma’s most generous donor of loans, grants, and technical assistance—seem enigmatic for at least three reasons:

1. Although Ne Win-era Burma was a one-party socialist state with a centrally-planned economy, capitalist Japan was allowed to play an important economic role through its reparations and ODA;
2. Japan’s aid was not supplemented by significant bilateral trade (outside of ODA-driven trade) or Japanese private investment; and
3. Given the relatively small size and undeveloped nature of the Burmese economy, the amount of Japanese aid was huge, particularly in the ten years preceding the 1988 political crisis. Aid continued to flow on a large scale, even when it became evident that Burma’s socialist economy had little or no prospect for reform and real development.\(^{20}\)

According to Teruko Saito, an experienced Burma watcher and economist, Japanese ODA to the Ne Win regime was ineffective in raising the living standard of the people; created dependably profitable markets for Japanese consultants, trading firms and other companies; was concentrated on large infrastructure projects that could not be sustained by Burma’s low level of local technology; and was regionally biased (save for the old Baluchaung project, most Japanese ODA projects were located in the central part of the country where the Burman Buddhists lived).\(^{21}\) A June 11, 1989, editorial in the *Mainichi Shimbun* newspaper characterized Japanese aid, in general, as *tarenagashi*, implying an unregulated flow of funds without a clearly defined goal or objective.\(^{22}\)

A special feature of Japanese aid is what is known as *yosei-shugi* (literally, “request-ism”), a principle stipulating that proposals for projects should be drawn up initially by the government of the recipient country, rather than the donor country. Since the political system in Burma depended largely on the will of one man, Ne Win, who viewed foreign relations—like everything else—as personal, the potential for abuse was enormous. According to journalist Bertil Lintner, the Ne Win government requested and received a Japanese grant to build a planetarium near the Shwedagon Pagoda in Yangon, not to teach Burmese students about astronomy but to give Ne Win’s astrologers a “modern” means of finding out what the stars had in store for the old dictator and his military cronies.\(^{23}\)


\(^{21}\) Teruko Saito, “Tai Biruma ODA (seifu kaihatsu enjo): ‘enjo’ ga maneita keizai, kankyo hametsu e no michi to Nihon no Sekinin [Development Assistance to Burma: the Road to Economic and Environmental Disaster Caused by Aid and Japan’s Responsibility]” (Kyoto: Gendai Nogyo, 1989), 58–67.

\(^{22}\) The Japanese term *tarenagashi* was introduced to English readers by David Steinberg.

\(^{23}\) The Japanese government denied Lintner’s allegations, but if true, the planetarium would have represented a most
As a veteran of the Thirty Comrades, colleague of Aung San (though the two men did not get along well), and commander of the armed forces originally established by the Japanese, Number One made full use of his Japanese connections in the decades after the war. Reciprocally, Japanese interests connected with ODA were assiduous in cultivating the man who, more than any other, was responsible for Burma’s tragic slide into isolation, poverty, and civil war after the socialist “revolution” of 1962.

The SLORC/SPDC Period (1988–2011)

After 1988, when Burma exploded with nationwide anti-government demonstrations and the streets of Yangon and other towns ran red with the blood of protesters, thousands of whom were shot dead by riot police and the Tatmadaw, Japanese and foreign critics cited the country as a “worst case” example of the misuse of Japanese aid. Both the lethal suppression of protests and the State Law and Order Restoration Council (SLORC) takeover on September 18, 1988, were shocks to most foreign diplomats in Yangon, including Hiroshi Ohtaka, Japan’s ambassador, who, to express his indignation over the army’s shooting of demonstrators, broke with his old friend Ne Win and apparently recommended that Tokyo freeze aid allocations. To express his solidarity with the protesters, Ohtaka, along with other ambassadors, boycotted SLORC’s Independence Day celebrations on January 4, 1989, which the new regime regarded as a slap in the face. However, on February 17, 1989, the Japanese foreign ministry announced that Japan would extend shonin (recognition) to the new martial law regime, which caused some Western governments to be harshly critical. According to one diplomat, the recognition “just proves that you cannot trust Japan to behave responsibly.”

Pro-democracy activist Aung San Suu Kyi quickly rose to become Burma’s most prominent oppositionist, following her speech at the Shwedagon Pagoda a few weeks before the SLORC coup, and she, too, criticized Japan for allegedly placing economic priorities before human rights.

In November 1997, SLORC was reorganized and renamed the State Peace and Development Council (SPDC). The SLORC/SPDC period lasted for a total of over 22 years, almost as long as the Ne Win period. This protracted political crisis encompassed both the central part of the country, where the majority Burmans live, and the border areas with their array of armed minority groups. This period led to a complex situation in which the country was both isolated by Western (United States, European Union) economic and diplomatic sanctions and steadily integrated into an economic network dominated by the wealthier Southeast Asian countries.

unusual case of yosei-shugi. Seekins, op. cit., 80.

24 Keith Richburg, The Washington Post, March 11, 1989, A20. Japanese government spokespeople explained that, since their country practices “state-to-state” rather than “government-to-government” relations, formal recognition must be extended to any regime that has come to power through non-legal means (e.g., a coup d’état). Seekins, op. cit., 99.

25 Ibid., 94–100.
(Singapore, Malaysia, and Thailand) and, increasingly, China. Symbolic of this integration was the 2009–2014 construction of two pipelines across central Myanmar to carry oil and natural gas from a port in Myanmar’s Rakhine State to Yunnan Province in southwestern China. This was a project that, one could confidently say, Ne Win would never have allowed. The pipelines enable China to bypass the Malacca Strait, which is vulnerable to piracy and other security threats, in order to import hydrocarbons from the Middle East or the Bay of Bengal to feed its rapidly-expanding industrial base.

During this period, Japan’s policy toward Myanmar was often labeled “inconsistent” or “ambiguous.” However, one Japanese diplomat described it as a kind of middle way between the sanctions policies of Western nations and the “full engagement” of China and the Association of Southeast Asian Nations (ASEAN) states. As that diplomat noted, Japan’s policy (along with that of Australia) takes “a position which places importance on human rights and democracy as a matter of course, but on the other hand, together with our fellow Asian countries, we prefer not to use sanctions, but to speak as friends. What are the expectations of the international community? What needs to be done for Myanmar to be accepted into the international community? These are things we are in a position to discuss quietly.”

During the period between 1989 and 2012, Tokyo allocated reduced flows of aid, stopping (almost) all yen loans and giving only debt-relief grants, other grants, “humanitarian” aid, and technical assistance. The only yen loan allocation was for upgrading safety at Yangon’s Mingaladon International Airport in 1998, in the amount of ¥2.5 billion (US$19.8 million). Many observers believed that it was misleading for Tokyo to label the funds jindoteki enjo (humanitarian aid), and that it was unclear whether the money was part of a pre-1988, much larger airport loan or a new loan.

Inside of Japan, the Myanmar political crisis stimulated a clash of constituencies, which, at first glance, seemed to be in a David and Goliath situation:

1. Goliath: Citing close Burma-Japan ties going back to the Pacific War and the danger of China making Burma an economic satellite, a business constituency, represented by the Nihon-Biruma Kyokai (later Nihon-Myanmaa Kyokai) along with major Japanese firms and influential members of the ruling Liberal Democratic Party, called for active engagement with SLORC in terms of both ODA and private investment. Myanmar’s “legendary” wealth in natural resources (especially energy) was another incentive for involvement with the martial law regime.

2. David: A human rights constituency, which included some of the many Japanese admirers of Aung San Suu Kyi, members of opposition parties, such as the Demo-

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27 Seekins, op cit., 93.
28 Ibid., 129, 138.
crats and Social Democrats, and NGOs, such as Amnesty International-Japan and Mekong Watch, campaigned for a policy more in line with Western direct support (through sanctions) for Myanmar democracy.

Given that business interests had been close to the center of the Japanese political system since at least the end of the war (and indeed, before), Japan’s supporters of Aung San Suu Kyi seemed hopelessly out-gunned. But they had a strong ally in the United States government, which, under the first Bush, Clinton, second Bush, and early Obama administrations, continued to take a hard line against the Myanmar junta. From time to time during the SLORC/SPDC period, what was known as *Myanmaa masatsu* (Japan-U.S. “friction over Myanmar”) emerged, as Washington criticized Tokyo for trying to make an end run around the Western sanctions blockade of the junta by releasing new (or allegedly new) aid funds. For example, in 2001, George W. Bush’s Secretary of State, Colin Powell, commented that Japanese grant funds for repair of the Baluchaung hydroelectric plant, officially labeled “humanitarian aid” (like the airport renovation), and “were not a proper investment to be making at this time, with this regime.”

While political and economic elites in Tokyo could afford to ignore domestic supporters of the Burma democracy movement, they could not allow Myanmar to become a divisive issue in relations between Japan and its most important ally, the United States. They had to keep up at least a façade of distance from the Myanmar regime, while trying, behind the scenes, to persuade the junta to act in a less oppressive manner (in other words, “quiet dialogue”).

In short, there were important contrasts between the American and Japanese approaches to the post-1988 Myanmar political crisis. Washington took a principled, arguably moralistic, approach, recognizing the May 1990 election victory by Aung San Suu Kyi’s National League for Democracy party as legitimate and imposing the severest sanctions on the SLORC/SPDC junta. A major criticism that can be made of American policy was that it was hypocritical, because it was selective and inconsistent. Washington unloaded sanctions on a country that, outside of its role in the drug trade, figured small in calculations of America’s national interest, while it was promoting economic and other ties with China, Saudi Arabia, Egypt and other non-democratic states where human rights abuses were as bad or arguably worse. (Beijing, for example, pursues a policy of “cultural genocide” in Chinese-occupied Tibet). Moreover, loopholes in the sanctions wall enabled certain American companies, such as the oil firm, Unocal, to operate profitably inside the country.

Japan’s policy was pragmatic and encompassed both the strong and weak points of prag-

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30 Seeiks, op. cit., 152, 153. Unocal participated in the Yadana natural gas project, which involved the construction of a pipeline in the Burma-Thailand border area to supply Thailand with natural gas for electricity generation; democracy activists pointed out that the project used ethnic minority forced labor.
matism. Tokyo took a flexible and conciliatory line toward the Myanmar regime, which succeeded at times in moderating the leadership's behavior. For example, the junta decided to free Aung San Suu Kyi from house arrest in July 1995, and was ultimately disappointed that Tokyo did not reward the move by releasing large amounts of aid. Japan's (as well as other countries') repeated expressions of concern for Suu Kyi's welfare may have ensured her safety and even her life, since we know that SPDC chairman Than Shwe disliked her intensely, and some of his followers planned to have the pro-democracy leader eliminated. However, the problem with pragmatism is that flexibility often comes at a price. That price includes not having clear-cut and definitive principles, acting secretly or ambiguously, and adopting a consequentialist or utilitarian calculus to reach a political goal that might change over time. As a result, trust is lost, and others question one's real motivations.

Yet it could be argued that the United States (and to a lesser extent the European Union) playing “bad cop” and Japan playing “good cop” with the SPDC may have been a positive factor in the transition from junta to constitutional, though military-dominated, government and the achievement of some kind of working relationship between Aung San Suu Kyi and the generals. If this is true, then it shows the importance of international cooperation in helping to resolve issues in troubled countries, based on the conciliatory principle among allied nations of “agreeing to disagree.”

The Post-SLORC/SPDC Era (2011–present)

In March 2011, the constitution approved in a popular referendum in May 2008 came into effect, and General Thein Sein, who previously had been prime minister, became the country's president. Senior General Than Shwe retired, and the SPDC junta was dissolved (most observers believe that Than Shwe still exercises some influence over politics, especially through the Tatmadaw commander-in-chief). There followed a series of developments that seemed almost “too good to be true” for Myanmar’s battered, pro-democracy activists, the Myanmar population as a whole, and foreign businesspeople and aid officials who wanted closer ties with the country. These included:

1. Dialogue between Thein Sein and Aung San Suu Kyi that led to the inclusion of both herself and her National League for Democracy party in the political process;
2. Suspension of the controversial, China-funded Myitsone dam project at the headwaters of the Irrawaddy River, which seemed to signal Thein Sein’s willingness to put distance between Myanmar and China;

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31 Ibid., 110.
32 For example, during the “Black Friday” incident of May 30, 2003, Aung San Suu Kyi and her followers were attacked by pro-SPDC thugs and Aung San Suu Kyi almost lost her life.
33 The fact that the Myitsone dam project was suspended rather than cancelled suggests that Thein Sein’s successor as
3. Release of a majority of political prisoners from jail, including leaders of the 1988 student and popular uprising;
4. A by-election in April 2012 in which 45 constituencies were contested, and Aung San Suu Kyi and 42 other members of her party were elected in a “landslide;” and
5. Aung San Suu Kyi’s active participation in the Pyidaungsu Hluttaw (bicameral parliament), including leadership of the legislature’s Rule of Law and Tranquility Committee.  

Even casual foreign visitors to Yangon, Myanmar’s largest city and former capital, could see that big changes were taking place. Previously, a person displaying a picture of Aung San Suu Kyi ran the risk of being jailed, but by early 2012, Yangon street vendors were selling plastic laminated pictures, calendars, and tee-shirts portraying Aung San Suu Kyi, and local newspapers and magazines, enjoying new freedom from censorship, were filled with stories of Aung San Suu Kyi’s doings, including trips overseas.

The military establishment’s softer line toward the opposition is enigmatic, especially more than four years since Thein Sein announced “Myanmar Spring.” Could this be a thaw, with a freeze to follow, or a genuine change leading to a firmly-established democracy?

The permanence of the “Myanmar Spring” is questionable for two reasons: (1) most of the reforms, like the suspension of the Myitsone Dam project, are revocable; and (2) the Tatmadaw has, in fact, not surrendered its grip on power. Not only does the 2008 constitution guarantee a decisive military say in the country’s politics, but close ties between the military elite and “crony capitalists” ensure that military influence on the economy will remain for a long time to come. It can be argued that there has been no fundamental change in Myanmar’s basic power structure since 2011, despite the apparent openness of Myanmar politics today, including the participation of Aung San Suu Kyi in politics. As one observer has described the situation, “the military has learned that it can control the country without having to manage everything.”

The Tatmadaw remains the strongest institution in Myanmar society, with its autonomy enshrined in the constitution; thus its power may not be so much diminished as hidden, like the huge and stoutly-defended military zone that lays concealed in the countryside to the east of the new national capital of Naypyidaw.

Abandoning its self-limitations in allocating ODA to Myanmar, which had characterized

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36 Comment of observer to author, Yangon, March 9, 2015.
its policy since 1989, Tokyo has stepped up its aid presence impressively, especially with new low-interest yen loans. According to figures published by the Japan International Cooperation Agency (JICA), in 2014 Tokyo allocated the approximate equivalent of US$630 million (¥63.1 billion at US$1.00=¥100) for four yen loan projects, while the 2013 total was US$510 million (¥51.0 billion) for three projects. These projects comprised:

1. Greater Yangon Water Supply Improvement (2014);
2. Irrigation Development in the Western Bago Region (2014);
3. Infrastructure Development in Thilawa Area Phase II (2014);
4. Yangon-Mandalay Railway Improvement (2014);
5. Infrastructure Development in Thilawa Area Phase I (2013);
6. Regional Development for Poverty Reduction (2013); and

The sudden increase in scale of Tokyo’s post-1988 ODA engagement with Myanmar is clearly reflected in aid totals for the 2008–2012 period, which expanded impressively in the final year, as shown in Table 1.

**Conclusions**

The changes in Myanmar that have taken place since 2011 are encouraging, especially to those who believe that democratization is part of the inevitable “tide” of history. However, these changes should not blind us to the fact that, as mentioned above, an intact Tatmadaw power structure remains dominant in the Myanmar political system. In a sobering article, “The Armed Forces in Myanmar Politics: A Terminating Role?” Robert Taylor argues that the establishment of a permanent, civilian-ruled, democratic government is challenged by the Tatmadaw’s self-defined mission to intervene in politics whenever the nation’s order and unity are threatened, as they allegedly were just before Ne Win seized power in March 1962 and when the SLORC took over in September 1988.

The Tatmadaw leadership conceives of politics existing on two levels: national and party. National politics, it believes, are the responsibility of the armed forces and are focused on the solidarity and unity of the nation. According to the Tatmadaw, national politics is also superior to party politics, which reflects the interests of partisan politicians and those who support them and tends to be divisive rather than unifying.

On several occasions, top military officers have warned that the Tatmadaw might retake

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38 Ibid.  
39 Taylor, op. cit.  
40 Ibid., 8.
power. Taylor believes that the Tatmadaw has remained on the sidelines since 2011, allowing the civilian components of the government to operate largely unfettered, because of circumstances that are favorable, but not guaranteed. Those circumstances include: the large majority of pro-army (or pro-government) Union Solidarity and Development Party members in the Pyidaungsu Hluttaw (far outnumbering the NLD’s 43 representatives) following the 2010 general election and the 2012 by-elections; Aung San Suu Kyi’s self-restraint in criticizing the military, despite her (apparently unsuccessful) campaign for constitutional revision that would allow her to run for President; the end of most sanctions by Western countries; and relatively peaceful conditions in the border areas, despite wrangling between the central government and the ethnic armed groups over a cease-fire as well as renewed fighting between the Tatmadaw and the Kachin Independence Army and Kokang forces in Kachin and Shan States. Should these conditions change—for example, should other armed insurgent groups like the United Wa State Army (the largest and best equipped armed group) go to war with Naypyidaw—the army might judge that there is a sufficient threat to national unity to justify intervention and the shutdown of the parliamentary system.

In addition, two other matters need to be kept in mind. First, it is the Tatmadaw rather than a civilian authority that decides which crisis is serious enough to justify intervention. Second, the army would not tolerate any development that could conceivably open the way to officers or former officers being tried for war crimes. Avoiding a Nuremberg situation has been a major preoccupation of the “men in trousers,” since the events of 1988.

In light of these issues, the governments of Japan and its Western allies need to be prepared for the possibility that a major crisis might shut down—or at least slow—progress toward democracy and an autonomous civil society, even though it is unlikely that such an outcome would produce the violence and repression of the (early) SLORC/SPDC period. Hopefully, the duration of such an army intervention would be short. The “Thailand pattern” of periodic army interventions in politics has arguably inhibited real political development in that country, even

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Table 1: Japan ODA Disbursement to Myanmar by Fiscal Year (Yen 100 million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
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<td></td>
<td>47.43</td>
<td>46.34</td>
<td>38.79</td>
<td>63.16</td>
<td>2306.7*</td>
</tr>
</tbody>
</table>

* The figure for FY2012 apparently includes loans to pay off Myanmar’s arrears, three-quarters of which are owed to Japan.

Source: Japan Ministry of Foreign Affairs

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41 For example, “former Lieutenant General U Tin Aye... noted that if there was unrest in the country, the army would, most reluctantly, be forced to resume power.” Ibid., 17.
42 Ibid., 19–26.
43 Ibid., 19, 20. The 2008 Constitution (article 445: 2) prohibits the establishment of Nuremberg-style tribunals to try SLORC/SPDC or post-SPDC officers.
as it has provided a “cooling off period” for rewriting constitutions and rearranging factions in an elite-dominated political system. Rather than serving selflessly in a neutral and objective “referee” role to promote national harmony, the Thai army has entrenched its own interests within the elite-controlled system, and there is plenty of evidence to suggest its Myanmar counterpart has done much the same thing. In both countries, soldiers in politics are likely to strengthen elite privileges, while turning a deaf ear to demands for political representation and economic justice from ordinary people, as the fate of the pro-democracy Thai “Red Shirts” has indicated, since 2010.

In other words, the Thai “success story” in economic and technical aspects of development has been shown, in recent years, to be a social, political, and institutional failure.

Since Japanese ODA in independent Myanmar (and other Southeast Asian countries) has tended to focus on yen loans and large infrastructure projects, such as the Thilawa Special Economic Zone, the nature of Myanmar’s political system—whether democratic or army-controlled—might not seem to be a high priority for Tokyo’s policymakers and business interests. Myanmar can modernize its economy and technology without fostering genuinely pluralistic politics. Moreover, preventing Myanmar from falling more deeply into Beijing’s economic sphere of influence, by offering non-Chinese alternatives, may necessitate tolerance for the authoritarian excesses of the “army-state,” both by Tokyo, which has always eschewed sanctions, and by Washington, which enacted the strictest SLORC/SPDC-era sanctions regime.

However, Myanmar can never become a developed and stable country until (at least) two conditions are satisfied:

1. **The establishment of limits on the power of the Tatmadaw, which would require both amending the 2008 constitution and strengthening civilian political institutions, in order to “de-politicize” the army (as in post-Soeharto Indonesia); and**

2. **A permanent peace (not just a cease-fire or the absence of war) must be established among Myanmar’s ethnic groups, based on the idea of equal rights for each ethnic, religious and linguistic community. Whatever form this political arrangement takes (federalism, for example), there must be an end to the social, cultural and political dominance of the Burmans.**

As a major contributor of aid to Myanmar in the post-SLORC/SPDC period, Japan has a big stake in these outcomes.
Chapter 2

Myanmar: The Current State of Political Reform and Ethnic Relations

Priscilla Clapp

Introduction

After four years of sweeping change in Myanmar, as the country struggles to transform from military dictatorship to pluralistic, elected governance, it has become painfully evident that this journey will not be accomplished as swiftly and completely as many both inside and outside Myanmar wish. However, the sheer inadequacy of the political, economic, and social structures inherited from decades of military rule is now more fully appreciated by everyone involved, and there is far greater willingness by Myanmar’s political leaders to reform fundamental structures and institutions than was contemplated in the previous military regime’s seven-step plan for “discipline-flourishing democracy.” The question now confronting them is how to reform the fundamentals and put new structures in place, without unleashing chaos.

If this were a controlled academic exercise in fashioning the perfect new democracy, it might be possible to design an orderly and sequential introduction of the political, social, and economic institutions that will be required to transform Myanmar’s militarized structures of governance and to reeducate the government’s workforce to understand how to operate in a democracy. Alas, as real life would have it—with the November 2015 elections looming on the horizon—the government has mostly suspended any further attempts to implement reform and many wonder whether leaders can manage to stay on top of events as they steer their way
through the obstacle course to the elections.

This chapter will discuss several key factors underlying the current state of Myanmar’s transition: the new status of civil society in the reform process, the peace process and political accommodation with the ethnic minorities, rule of law and the inadequacy of current legal structures, and the question of amending the constitution. In doing so, connections will be drawn among these issues and the impact they could have on the elections.

**The Rise of Civil Society**

When President Thein Sein was inaugurated in 2011, he announced his intention to develop a people-oriented government that would allow the country to progress politically, economically, and socially into the 21st century. The subsequent relaxation of restrictions on political activity facilitated the rapid rise of a vibrant civil society sector that had been severely repressed for more than 50 years. Buoyed by assistance from foreign donors, civil society quickly began tackling a variety of tasks, including: health and social welfare, environmental protection, human rights, women’s issues, promotion of democracy, expansion of a free press, educational reform, legal reform, capacity building, and political development.

During its first three years, the government took a few tentative steps to reach out to civil society by formulating new policies, most notably the Extractive Industries Transparency Initiative (EITI) and the follow-on Open Government Partnership (OGP). These initiatives involved streamlining certain export-import and foreign investment transactions in consultation with the business community, developing environmental guidelines, and establishing important channels of communication with the leaders of the 1988 political rebellion. By 2015, government interaction with civil society had become less hesitant and more encompassing.

The Union Election Commission has invited civil society organizations to act as official monitors of the 2015 elections, based on a negotiated code of conduct, and it has worked with the press to develop mutually-agreed guidelines for election coverage. Similarly, the National Press Council, formed to guide the development of a free press, now interacts with various government entities to mediate confrontations with journalists and to negotiate rules of access to government officials and information. Civil society input is often elicited for proposed new bills and policies (e.g., environment, land management, legal aid, and educational reform).

Government and civil society, nonetheless, are still far from achieving institutionalized interaction, and their relations remain, on the whole, fraught with misunderstanding. The recent set-to between students and government over an education reform bill provided a classic example of the cultural clash between government and civil society in Myanmar. This episode began when the parliament produced a bill that students and their representatives in the National Network for Education Reform (NNER) felt was designed to perpetuate the fundamental flaws in the current national education system. In response to their strong criticism, over the
course of many months, officials in both executive and legislative bodies engaged in dialogue with NNER and students. That “dialogue” was marked by confrontational behavior on the part of students, insistence by education officials on continuing the authoritarian rote education system, and profound mistrust on both sides. The students believed that the government’s plea for using democratic processes to resolve differences was merely a ploy to mire revision of the education bill in bureaucratic delay and obfuscation. The government concluded that the students—who had begun to boycott the negotiations—were actually motivated by more sinister objectives than education policy, and had become pawns in a communist conspiracy to ignite a repeat of the 1988 mass uprising by marching on the country’s major cities and provoking security forces into violent reaction.

Unfortunately, this difficult chapter in the development of Myanmar’s civil society has not yet closed, because, despite the government’s apparent willingness to accommodate a great deal of the students’ demands for education reform, the students are still protesting the continued incarceration of their leaders and ready to launch fresh protests. They are likely to go after other issues during the elections.

The rise of civil society in Myanmar has also taken other, more confrontational forms, in some cases inciting communal violence and attempting to limit the freedom of women and minorities. Within the powerful monastic order, for example, a group of radical younger monks, heavily influenced by Sri Lanka’s politically active monks, has used social media and other forms of electronic communication—not least of which are the intrusive loud speakers monasteries use to flood local neighborhoods with monastic chants and sermons in the early morning hours—to foment violence between Buddhists and Muslims. The results have been devastating in Rakhine State and some other parts of the country, leaving thousands of people confined to camps until their communities can be rebuilt. Inspired by their Sri Lankan brothers, the radical monks are now demanding that, like the military, they should have dedicated seats in the parliament, and they are inserting their agenda into the elections, attacking the National League for Democracy (NLD) party and aligning with the ruling Union Solidarity and Development Party (USDP).

The monks have also taken aim at women, inspiring several new laws restricting marriage and reproductive rights on the basis of religion. The enactment of these laws has strengthened a women’s movement that sprang up during the last few years in almost all areas of the country, adding a strong female voice to the causes of democracy, justice, equality, health, and education reform, women’s protection in the labor force, and women’s entrepreneurship. On the whole, women are trying to take advantage of the openings the reforms have given them.

Thus, relaxation of the political and social restrictions that prevailed under previous military governments is having a transformative and, at times, traumatic impact on Myanmar’s society. The younger generation tends to view the new freedoms as a license to push the bound-
aries of the government’s tolerance and to challenge the military, in particular. The older generation is somewhat uncomfortable with the rapid pace of change and the uncertainties it poses for their future. And the middle generation that led the assault on the government in 1988 is, in many cases, trying to build a bridge between the past and the future, recognizing that transition to stable, genuine democracy will require the cooperation and compliance of the military. These middle-agers believe that, after so many years of unrelenting military intransigence, the country can afford a few more years of shared power, gradually reducing the military’s political power by forging the trust between civilian and military cultures that is so vital to successful democracy. In fact, the ‘88 generation, in general, has become a partner to the military reformers in the Thein Sein government, attempting to facilitate a measured transition to democracy.

**Reconciliation with Ethnic Minorities**

President Thein Sein appears to recognize that the task of reconciliation in Myanmar is tripartite and will require political accommodation, not only between the military and the democratic opposition within the Burman ethnic majority but also between the military and the ethnic minorities. Thus, he set out from the beginning of his term to renegotiate a lasting ceasefire with the multitude of ethnic armies his military forces had been fighting for so many years. After concluding a series of bilateral ceasefires with various groups, the government decided that a universal, national ceasefire would be required to serve as the chapeau for a comprehensive political accommodation with the ethnic minorities. As a consequence, the president set up a large negotiating structure under the authority of one of his most trusted reform ministers, former general Aung Min, to pursue multifaceted peace negotiations leading to a political process that would eventually encompass the country’s entire political spectrum. Minister Aung Min, in turn, brought onto his negotiating staff a number of the former activists and exiles from 1988 who had been living among ethnic exile communities in Thailand and elsewhere.

The president’s stated ambition to achieve a National Ceasefire Agreement (NCA) and move into political talks before the 2015 elections met some early successes. However, the negotiations for the NCA began to bog down in September 2014 because of an impasse between the Tatmadaw and the Kachin group. Fighting between the Tatmadaw and the Kachin intensified as military leaders in Naypyidaw perceived the Kachin to be organizing a military alliance with several smaller armed ethnic groups. In February 2015, for example, one of these ethnic groups returned from exile to reclaim control over the Kokang autonomous area on Myanmar’s border with China, igniting a serious battle with the Tatmadaw that has cost hundreds of lives. What is more, when military leaders in Naypyidaw began to accuse the Kachin of supporting the Kokang insurgency, hopes for achieving the NCA appeared to dissipate.

Nonetheless, the parties to the NCA returned to the negotiating table in March and eventually managed to hammer out an accommodation on the final sticking points standing in the
way of the NCA and of the broader political dialogue. A single issue of disagreement remains on the question of whether to include other armed groups, that have emerged during the negotiating period, in the NCA. While the government is willing to include most of them at a later stage they are now determined to proceed with a signing ceremony in early October with those groups who are willing to move ahead. This could make it possible for President Thein Sein to achieve his dream of entering into the broader political dialogue before the change of government in 2016. This would be an historic step forward in Myanmar’s long reconciliation process.

Meanwhile, the battle with the Kokang continues, and the toughest issues in ethnic reconciliation will still lie ahead after the ceasefire agreement is signed. The status of the ethnic armies—vis-à-vis the Tatmadaw, control over resources in ethnic areas, revenue sharing between states/regions and the central government, and many other tough questions—must be addressed in the political dialogue. Although this process can be expected to take many years, military representatives in the parliament have proposed several amendments to the schedules attached to the constitution, which delineate the fiscal and administrative authorities of the states and regions in relation to the center. The proposals put forth by the military members of parliament would effectively expand states’ rights without requiring the onerous procedures for amending the main body of the constitution. The government had already made several other moves outside the constitution to expand states’ authorities over resources and revenue, undoubtedly hoping to signal flexibility in the political dialogue that will follow the NCA.

There will also be an important role for the international community once the NCA is signed. After decades of war and isolation, the ethnic minority areas must be rehabilitated and connected with the country’s mainstream economy. Political equality must also bring economic opportunity. International investment and assistance in these areas will be warmly welcomed.

**Legal Structures and the Rule of Law**

The decades of military rule have left Myanmar with a corrupt, dysfunctional, and unjust legal system. It will take decades, if not generations, to build an effective security and justice system that enjoys the trust of the people. Unfortunately, the 2008 constitution complicates this task in two fundamental ways.

First, it purposely perpetuates layers of archaic, repressive laws, many of which date from the colonial period. These old laws now coexist with the new laws passed by the parliament, leaving the country’s authorities, at all levels, as well as its courts, free to choose which laws they wish to enforce. It will require wholesale housecleaning and rehabilitation to clear up this mess.

Second, the constitution, while claiming to provide for three equal branches of government, has left the judicial branch subservient to the executive. This judicial weakness has been
compounded by the parliament in its attempts to wrest control of the infant Constitutional Tribunal away from the executive branch. Among further structural flaws in the judicial branch is the division between the military-dominated Supreme Court and the Attorney General, each of which jealously guards its domain. And these are only a few of the structural issues that will need to be addressed to configure a judicial system adequate for democratic governance.

There is also the human element. Myanmar’s courts and judges have been callously perverted by earlier military rulers and forced to hand down judgments arbitrarily dictated by military authorities to serve their purposes, rather than to deliver justice. The trial and sentencing of NLD leader Aung San Suu Kyi in 2009 provides a perfect example of the military’s abuse of justice. Charged with allowing an uninvited guest to stay overnight in her compound without official permission (under one of the archaic colonial laws still in force today), she was sentenced arbitrarily to five years in jail, which was “generously” commuted to 18 months by then-Senior General Than Shwe to allow her release exactly one week after the 2010 elections. The military regime did not even try to employ some artifice to hide the fact that her trial was staged to keep the NLD out of the 2010 elections and assure a clear victory for the military party.

On the basis of workshops it held in Myanmar’s ethnic states, the U.S. Institute of Peace has found that minorities purposely avoid the government legal system, because it is expensive (judges and court officials must be bribed); judgments are often discriminatory; and the system cannot be trusted to deliver justice. They regularly turn, instead, to village elders or tribal justice to settle disputes, and some are subjected to arbitrary justice by the armed ethnic groups in conflict areas. Modern justice systems will probably have to be built from the ground up in ethnic minority and remote areas of the country.\(^\text{44}\)

The absence of an adequate judicial system is perhaps the most essential missing piece in Myanmar’s political progress. Without rule of law, the country cannot become democratic. A reliable justice system will be fundamental to achieving trust between society and government, trust and fairness in relations with ethnic minorities, and protection for ordinary people from the country’s many predatory elements. It will be essential for tackling the rampant corruption that plagues almost every aspect of government and business in the country, and it will be the \textit{sine qua non} for attracting sustained foreign investment.

International assistance is critical to the development of Myanmar’s legal system, because the task is so mammoth that it is beyond the capacity of Myanmar, alone, to improve its legal structures fast enough to keep up with the current pace of reform. Furthermore, to the extent that foreign governments and institutions are able to contribute to this task, such assistance must be carefully coordinated to avoid creating a legal monster built on the basis of different systems of law, as happened in Cambodia.


**The United States and Japan: Assisting Myanmar’s Development**
Constitutional Reform

Many in the parliament recognize that the 2008 constitution will have to be amended if it is to serve as the fundamental legal basis for democratic government. The prerogatives it currently allocates to the military are inconsistent with the notion of “government for the people and by the people” that underpins the philosophy of democracy. It is a healthy sign, therefore, that the parliament was willing to open the way to constitutional amendment during the new government’s first term, by calling for a full array of proposals for amendment and not pretending that the document should remain inviolable.

Unfortunately, according to the current terms of the constitution, military members of parliament have the power to veto proposed constitutional amendments and they did so with the proposals brought forward by the parliament in June. Thus the question of constitutional reform will remain a task for the next government.45

Whither the Elections, Whither the Country

People in Myanmar recognize that the stakes in the 2015 elections will be remarkably different from 2010. They know the election matters this time, so the anticipation has become intense. More than 90 political parties have registered. The Union Election Commission (UEC) is preparing civil society monitors and establishing offices to run the 37,000 polling stations. International election organizations are working with the UEC, political parties, and civil society to prepare for an orderly, transparent election. The UEC has invited international observers. International nongovernmental organizations supporting the election process have cited two major areas of concern for election irregularities. These are the management of early voting, which spoiled the vote in 2010, and the provisions for military voting. Although the UEC has developed rules to limit early voting and ensure that the counting of early votes can be adequately monitored, it still leaves considerable license for manipulation at the local level. Military voting generally takes place on military bases, where election monitors and observers may find it difficult to assure the integrity of the large military vote.

There is also the important question of whether free elections can be held in some of the country’s conflict areas. The UEC will determine if any constituencies will be excluded, based on their accessibility by the ruling USDP. At the same time, some of the armed ethnic groups may choose to ban elections in their areas, until a full political settlement has been reached with the government. Others may try to restrict access to their areas by political parties other than their own, including the NLD and USDP. The UEC will probably announce its decisions closer to the date of the elections.

45The election will take place on November 8, 2015.
Despite the UEC's careful preparations, opportunities for dirty tricks and irregularities, if not outright fraud, will be immense, because the UEC must depend heavily on local government administrations for its facilities, staff, and operations around the country. Local administration is the responsibility of the General Administration Department (GAD) of the Ministry of Home Affairs, which is the civil administrative arm of the military, and GAD officials are, by and large, retired military. Eliminating the possibilities of election fraud, in the absence of a fully independent election administration, would require an intensity in election monitoring and observation that is not possible, even in the most well-managed elections. The integrity of the elections, therefore, can only be judged by their results. If the government party—against all odds—wins a significant victory and the NLD falls far short of expectations, people will conclude that the elections were not free and fair and that the USDP stole them. It would be a major, if not fatal, setback for the country's reform program.

If, on the other hand, things go relatively smoothly and the anticipated results are largely met, then many observers expect to see a significant adjustment in the balance of power in the new parliament, with the NLD as the largest party, the ethnic minority parties gaining significant strength and the USDP with a quarter or less of the seats. The USDP, of course, would still be able to count on the military representatives in the parliament, who will still comprise 25 percent of the total. Thus, the change in the balance of power would not necessarily put the NLD in the driver's seat, but it could give its leader a decisive role in determining the next president, who will be elected by the new parliament.

For the NLD, the 2015 election is a chance to reprise its election victory of 1990, which was snatched from its hands by the military when the magnitude of its landslide became apparent. The NLD expects major victories in the seven regions and significant wins in some of the ethnic states, where it has maintained a strong party organization. If this is the case, it will become the largest party in the parliament, because the seats that go to the ethnic parties and the NLD will come out of the government party. In fact, USDP members admit that they fully expect their party to lose its overwhelming majority, despite the fact that they are handing out favors, left and right, to the electorate.

With these considerations in mind, it is clear that the elections will be a “make or break” moment for the reform process and that in choosing a new president the new parliament will be required to begin working on options for power sharing among the three major entities in the country’s body politic—the military, the NLD, and the ethnic minorities. If they can arrive at some understanding on how to share power, the elections will mark a critical turning point in Myanmar’s political history. If they fail to meet this challenge, the elections could become a breeding ground for civil unrest and instability.

In this context, there are many possibilities for cooperation and collaboration between the United States and Japan in promoting democracy and human rights in Myanmar. Numer-
ous areas lend themselves to coordinated U.S.-Japan contributions to the reform process including: development of an informed and active civil society; economic and social programs to assist development of ethnic minority areas emerging from decades of war; and assistance in building an effective legal system. As we can see from the interplay among civil society, the peace process, security, and justice, a concerted U.S.-Japan effort in any of these areas could contribute significantly to the political stability and development of Myanmar.
Chapter 3

National Security and the Military in Post-Junta, Constitutional Myanmar

Mary P. Callahan

Introduction

Myanmar is in the midst of unprecedented attempts at reform. Direct rule by the military-as-an-institution is over, for now. Despite many measures that exist for protecting the military from civilian interference in national security affairs, it appears that the concentration of authority in one senior general has ended. Although there has been no major shift in the demographic characteristics of personnel in elite positions (male, Burman, retired, or active-duty military officers), a new political fluidity has changed how the ruling elite governs.

In principle, that fluidity accounts for the emergence of the political and economic reforms that have been implemented from above, although it has had little impact on military autonomy on matters self-defined as “national security.” To date, no legal, constitutional, institutional, or policy provisions provide for democratic civilian control over the armed forces.

This autonomy is viewed by the military as not only necessary but also utterly unproblematic. Pointing to a history of violent armed conflict, past misconduct by political parties and politicians, and interference in domestic affairs by foreign countries, military leaders simply presume the necessity of the “leading role” of the Tatmadaw in governance. The military views itself as the only institution that has held the country together in the face of numerous and grave threats. This sense of imminent jeopardy to the nation is perhaps best captured in “Our
Three Main National Causes,” a slogan-cum-national-credo defining the most fundamental duties of all Myanmar citizens. First tendered in 1989 by the junta of that era, the Three Causes have been reiterated continuously in public statements, documents, speeches, publications, and the 2008 constitution (§383). Whatever political, economic, and social reforms occur, the Tatmadaw will likely continue to view the institution’s responsibility for these Causes as inviolable.

The 2008 constitution enshrines significant political privileges for the military, such as guaranteed representation in the legislative and executive branches. Nonetheless, this constitution has enabled the roles of formal military institutions—such as regional commands—to be scaled back in many aspects of everyday politics and administration. The transition to constitutional rule was accompanied (perhaps facilitated) by a shift away from the military’s view that all aspects of public and political life are matters of national security. Today, authority over and responsibility for policy and regulation are shared across multiple loci of political power and no longer reside only in the military’s high command or the most senior active-duty general. In short, under this constitution, military “prerogatives”—areas of presumed entitlement and responsibility—are no longer unlimited. Nor are they entirely self-defined by leaders of the Tatmadaw.

How sustainable any of these changes will be remains unknown, as does a projection of what the post-junta political system will look like 10 or 20 years from now. There is good reason for caution. Only four years into a top-down reform process that has created greater political, economic and social openness, the country carries the residue of a century of social division, 50 years of political repression and economic mismanagement, 70 years of armed conflicts, and decades of disinvestment in the health, education, and services sectors. In such a context, any further attempts to reduce military privileges, duties, and entitlements likely would be seen as diminishing its capacity to fulfill the Three Main National Causes.

Analysts often overlook the obvious content and meaning of slogans proffered by Southeast Asian militaries involved in politics. In the case of Thailand, Michael Montesano, co-coordinator of the Thailand Studies Program at Singapore’s Institute of Southeast Asian Studies, argues that these slogans are among the clearest windows into the thinking of the Thai military in contemporary politics. See Michael Montesano, “Praetorians and ‘the People’ in Late-Bhumibol Thailand,” SEATIDE Online Paper 10, <http://www.seatide.eu/?content=activitiesandresults&group=3>.

Figure 1: Myanmar’s Three Main National Causes

“Our Three Main National Causes”
(Official English version)
1. Non-disintegration of the Union
2. Non-disintegration of national solidarity
3. Perpetuation of national sovereignty
Myanmar faces security and governance challenges unique to its history and geostrategic location. Thus, for the entire officer corps, “security of the state” still overrides concerns about the aspirations, rights and entitlements of individual citizens. This is not a country wherein notions of “human security,” “community security,” and “citizen security” have ever been paramount for any ruling authorities. Maintaining law and order, territorial integrity, and stability is the priority. For these reasons, Myanmar citizens and some in the international community have expressed doubts about the commitment of the armed forces to the reform agendas of the last few years.

Although they have accepted the scaling back of everyday administrative and regulatory roles, senior military leaders have not expressed a commitment to a complete withdrawal from politics in the near future, but they have indicated openness to international engagement on a wider range of issues than ever before. Intra-military reform is no longer unthinkable in Myanmar, although much as in the peace process, it will materialize on terms set by domestic stakeholders and probably only those in or favored by the senior officers corps. As Thomas Bickford has documented in the case of the Chinese people’s liberation from Maoist to post-Maoist rule, any defense reform in Myanmar will occur “within the political context of a regime with new goals but continued to be dominated by the old... elite.”

The Myanmar Security Setting

This section lays out the context in which a fundamental, but not fully realized or understood, transformation has occurred in the realm of security. It involves the retrenchment of the military’s prerogatives under decades-old, draconian “national security” mandates and the shift of responsibilities for policymaking from the high command of the Tatmadaw to the executive, legislative, and sub-Union branches of government.

The limits on rolling back military roles in contemporary political institutions are rooted squarely in a history of nearly 70 years of unrelenting warfare in a challenging geostrategic environment—set, as Myanmar is, between China and India, not to mention sharing difficult borders with Bangladesh and Thailand. Because the country has been on a constant war footing since independence, state-society relations have always privileged the protection of the state above all other imperatives and at all costs. To a large degree, the security institutions that have pushed post-colonial bureaucratic, economic, political, and social regulation have been built out of the residue of brutally violent struggles for power over people, territory, resources, wealth, and recognition.

History of the Political Role of the Military

The Tatmadaw has always been involved in politics. Importantly, in Burmese, the word for “politics” (naing-ngan-yeh) also means “national affairs” or “affairs of the country.” The Tatmadaw’s self-prescribed “leading role” in national affairs dates back to the military’s origins in the armed, populist, nationalist struggles against the British and Japanese. During the civilian-led parliamentary era (1948–58 and 1960–62), direct and sometimes deeply partisan military involvement in politics was the norm, particularly given the proliferation of private armies, mostly aligned with political party leaders. In other words, the Tatmadaw has no metaphorical “barracks” to which to return. The fact that the country has been home to continuous warfare since 1941 has only reinforced the Tatmadaw’s sense of being the nation’s only dependable guardian.

From the months leading up to Burma’s 1948 independence through today, the Rangoon (after 2005, Naypyidaw)-based state has faced a continuous series of armed challengers. Some, like the Communist Party of Burma, sought to capture the reins of the state in Rangoon, while others—driven by ethnic identity and/or territorial claims—have sought greater political or cultural autonomy, “self-determination,” or outright independence from Burma.

From 1948–1988, the military faced multiple and continuous threats to the nation and state. Throughout this history, poorly-equipped soldiers from the Tatmadaw typically were posted far from Rangoon, running counterinsurgency campaigns on a shoestring. Their efforts amounted to little more than a few dry-season tactical gains, while the overall expense drained the public sector and demanded sacrifices of those living far from the battlefront.

From the late 1970s until 1988, however, the Burman heartland, as well as most major urban areas, were largely pacified under former Gen. Ne Win’s Burma Socialist Programme Party (BSPP) government.48 According to Kyōto University’s Dr. Yoshinori Nakanishi, Ne Win was able to maintain dictatorial power for 26 years by controlling both the military and the party-state.49 He established “extremely restricted paths of promotion centered on operations officers,” while pensioning off those with administrative and staff experience to acceptable positions in the party or line ministries of the state. The “reemployment” of military officers in party and governance jobs served to placate any resentment over the promotions of only a small number of combat-savvy, active-duty officers.50

The year 1988 was a watershed in Myanmar history. A series of demonetization measures in 1987 devastated the economy and wiped out the savings of most Burmese people, triggering

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48 About once every 10 years, student- or monk-led protests would emerge, only to be put down swiftly by police or other armed forces.
50 Ibid., 267.
the gradual collapse of Gen. Ne Win’s BSPP state over the next year. Popular (often student-led) demonstrations presented unprecedented challenges to the struggling state. They erupted in Rangoon in late 1987 and continued there and in other urban areas sporadically into the following year, despite occasional violent crackdowns by police and the army.

The 1988 protests and the downfall of the Socialist government dramatically escalated the Tatmadaw’s threat perception, and led to an era of hyper-vigilance against “internal and external destructive elements,” as one propaganda signboard declared. The leadership of the armed forces appeared taken by surprise by the extent, type, intensity, and location of the unrest that unfolded in far-flung parts of Burma, but remained relatively unified in the face of the demise of the party, which had been staffed by their former officers. As the protests continued to paralyze the country into that year’s dry season, military leaders pulled forces back from the borderlands to confront centrally based, pro-democracy protestors who became interchangeable with the panoply of insurgent enemies that soldiers had been fighting for 40 years. For officers and soldiers, urban protestors—even unarmed nurses, teachers and Buddhist monks marching in the streets of the capital city—became the functional equivalents of anti-state guerillas operating in distant jungle war zones.

The military took direct control of the state in September 1988 and established the State Law and Order Restoration Council (SLORC) under the chairmanship of the army commander and Ne Win follower, then-Gen. Saw Maung. In 1992, he was succeeded by his deputy, Gen. Than Shwe. Junta rule under Than Shwe endured until Prime Minister Thein Sein’s inauguration as president in March 2011.

That period of 1988–2011 placed Burmese citizens in all areas of the country under a political system that was de facto martial law. Power was exercised by the military junta, SLORC (renamed the State Peace and Development Council or SPDC in 1997). In the wake of 1988’s unexpectedly-widespread protests in what had been considered the pacified heartland, military leaders undertook an unprecedented modernization of the region’s most undermanned and poorly-equipped army. The ranks expanded from 180,000 in 1988 to around 350,000 in 1995 and from a small number of permanent garrisons to a presence of more than two thousand holdings throughout the country. To rebuild the collapsed state, SLORC mapped the Tatmadaw’s chain of command isomorphically to territorial and functional administrative structures and undertook large-scale infrastructure development. Any criticism, opposition, or advocacy was viewed as subversive by the military, its notorious intelligence agencies, the police, and local authorities. “National affairs” or “politics” was equated with “national security” and, therefore, subject to periodic, arbitrary, often brutal crackdowns. The junta justified harsh political repression in terms of its self-image as the defender and savior of the nation.

51 Andrew Selth, Transforming the Tatmadaw: The Burmese Armed Forces since 1988. (Canberra: Strategic and Defence Studies Centre, Australian National University, 2006).
and as sole guardian of naing-ngan-ye, or “national affairs.”

In 2003, the SPDC laid out its “Seven-Step Road Map” to a “modern, developed, and discipline-flourishing democracy.” The road map included the already-underway National Convention, which eventually produced the 2008 constitution. In the “road map,” Sr. Gen. Than Shwe and most of the ruling junta must have been confident that the tightly-controlled constitutional drafting process guaranteed a new version of military-dominated rule, if perhaps cloaked in the window dressing of “democracy.”52

Since his inauguration on March 30, 2011, Thein Sein and his administration have acted like a government, not a high command; in the “previous government,” as many locals now call the SPDC, there was no such distinction. With this shift, the military-as-an-institution has seen a diminution in the scope of its prerogatives. Since 2011, the post-junta, constitutional branches of the Union and state/regional governments have carved out non-military areas of non-threatening, business-as-usual “politics” or “national affairs” in both formal legal fora and informal, iterative decision-making processes.

The result is that multiple channels inside and outside the government have opened for some degree of citizen, media, opposition, and non-governmental organization access to policy and governance processes on issues previously defined as matters of “national security”—including macroeconomic reforms (exchange rate, banking, capital, and land policies), education, press freedom, labor relations, and Internet access. That the Tatmadaw has given up absolute, rigid control over these policy matters may be the most significant, and under-appreciated, change of the post-2010 election era.

It is very difficult to assess how the Tatmadaw is processing the transition to post-junta, constitutional rule. For years, it was widely thought that Than Shwe and the junta were designing the constitution to “entrench the position of the armed forces,” by giving the military autonomy from civilian oversight over internal military affairs and matters of national security.53 It remains to be seen how the post-junta officer corps will manage the changing roles of the military going forward.

"Security" in the Myanmar Context

The term “security” is usually expressed as “loun-kyoun-yeh.” The root of the word, “loun-kyoun,” means “to be secure and safe,” while “yeh” refers to the concept of “affairs” or “matters.” But loun-kyoun also carries the connotation of “full coverage or enveloping safety net.” As in English, the concept of “security” involves a sense of protection from harm and danger. According to scholar Dr. Tin Maung Maung Than, “Its connotation implies a sense of safety

52 It is beyond the scope of this paper to explain why the reforms happened.
53 The metaphor of “entrenchment” is widely used; for example, a Google search of <Burma constitution 2008 entrench military> yields 2.8 million hits.
In political rhetoric, formal usage of the concept of “national security” is interchangeably expressed as “amyotha loun-kyoun-yeh,” whereby “amyotha” means “national,” with a connotation of nationality or races that are part of the “nation,” or as “naing-ngan-daw loun-kyoun-yeh,” which more explicitly invokes the security of the “state” (not the “nation”). In political debates, in Myanmar language, “loun-kyoun-yeh” typically implies an outcome or end-state characterized by order and “tranquility” (htee-ngyein aye-chan-yey), a condition devoid of all tension, threat, and conflict. Achievement of this tranquility and order results from prioritizing the security of the state above all else.

English-language rhetoric about the “security” affairs of Myanmar does not reflect Burmese-language connotations. English-language debates appear to pit the historical predilection for a robust and far-reaching “national security state” against popular demands for the kind of rights-based, democratic reform that is more aligned with “human security” than “state security.” To some degree, this depiction accurately reflects the partisan divide in Myanmar, and will be detailed below in sections on “official” vs. “popular” notions of “security.” However, what may be more important for civil-military relations going forward is that the military and popular views about “security” have more in common than both sides might realize.

The military and its critics share three fundamental convictions that derive from the above-noted historical experience:

First, there is widespread recognition that the country is profoundly vulnerable and exposed. In a sense, the threats to Myanmar’s security are unbounded.

Second, among all parties, there is a blurring of the conceptual distinction between “internal” and “external” threats, although security sector reform practitioners and academics consider any distinction unproblematic.

Third, an end-state described by the term “loun-kyoun-yeh”—meaning free from all existing and potential conflict, threat and harm, and achieving a state of pacification, “tranquility” and order in politics—is probably unattainable by any country, much less one situated between India and China. In addition, Myanmar’s ordinary citizens are as likely as its soldiers to describe each other as lacking in the discipline (see-kan) required to safeguard the nation and state.

The Tatmadaw on “Security”: Rigid, but Decreasing Prerogatives

At the heart of the Tatmadaw’s self-concept is a sense of Myanmar’s vast vulnerability, as well as a conviction that the military has earned the right to lead the country on whatever path these guardians determine necessary. The Tatmadaw’s self-narratives cite historical evidence that it

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has repeatedly earned its “guardian” role by saving the Union from the precipice of collapse at least three times—in civil strife at independence in 1948, in political and ethnic conflict during the early 1960s, and in the nationwide uprising of 1988. The Tatmadaw’s perception of the danger represented by 1988 is most clearly portrayed in its formulation of Our Three Main National Causes, which came to be embodied in the Basic Principles of the 2008 constitution. After the 1988 “anarchy” nearly broke up the Union (as laid out in the first two Causes), the new junta took on the task of establishing order and tranquility out of what it viewed as pure chaos. Official narratives are replete with examples of this view. For example, looking back on 1988, then-junta Chair, Sr. Gen. Than Shwe, told a 1995 audience of military academy graduates, “The nation was dangerously on the verge of disintegration due to attacks by both aboveground and underground elements, leftists and rightists from within and without.” A few years later, Hla Min, then a senior military intelligence officer and military spokesperson, sustained the narrative:

Anarchism was therefore rampant in the country. The Burmese Communist insurgents were attacking the government troops in the northeast and eastern borders while the Kayin insurgents attacked the southeastern borders... During this chaotic period the Armed Forces of Myanmar had no choice but to use whatever means available to restore law and order in the nation while repelling the attacking insurgent groups. In fact, the Armed Forces of Myanmar managed to save the country from disintegrating and from becoming a war zone.

In 2013, the Commander-in-Chief, Sr. Gen. Min Aung Hlaing, said, “During the time when the Tatmadaw took control of the country because the country needed it to do so, the Tatmadaw put the country on the path to democracy.”

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55 The latter is expressed as taingyinthar or “sons of the soil,” but carrying the meaning of “citizens.”
The Tatmadaw views 1988 as a story of unbounded, precipitous threat to the country, and thus its response of de facto martial law is easily justified. The solution to this existential threat was, per the Third Cause, “the steadfast endurance of the highest authority or power” (author’s translation). The latter formulation diverges significantly from the official translation, “Perpetuation of National Sovereignty.” This divergence is crucial to understanding what “security” means in Myanmar. The official English version is a refrain common in countries that have achieved independence from colonial rule. But in Burmese, the Third Cause is not about self-determination at all. Instead, what matters is that the state sovereign endures and that citizens do not challenge the continued power of the state.

In fact, Dr. Aung Myoe at the National University of Singapore argues that the Tatmadaw’s threat analyses were, and probably still are, anchored in the Three Causes. He has written that, “Threats are generally defined by the regime as those actions designed to challenge the three main national causes.” From the official military point of view, a vast range of “internal and external destructionists,” as one propaganda signboard read until very recently, threatened all Three Causes. To rescue the country from the disorder wrought in 1988 by “treasonous minions and... traitorous cohorts abroad,” and to protect it from “saboteurs” (a-pyet-tha-ma) in the future, the military built a ruling apparatus that ensured the Third Cause, “the steadfast endurance of the highest authority or power.” In its own narrative, the Tatmadaw was, is, and will be the bulwark against lawlessness and anarchy (“min-meh-sa-yaik,” which literally means, “without a king”). As the military sees it, if it does not play a “leading role,” tranquility (htee-ngyein aye-chan-yey) cannot be achieved and the Union may not survive. In his history of the Tatmadaw, Dr. Myoe concludes that the military views itself as “the embodiment of the Myanmar state,” believing “that any challenges to its own integrity constitute threats to the state as well.”

Recently, the Causes were invoked in the standoff between police and student protestors, who had marched from Mandalay to Letpadan in opposition to the National Education Law. Although the Ministry of Education committed to grant all of the revisions students sought on the law, a small group wanted to continue on to Yangon, and they became the object of solidarity protests in other parts of the country. The police initially handled the situation peacefully, and blocked them from proceeding to Yangon. However, at some point, a threshold was crossed, and Lt. Gen. Ko, Minister of Home affairs, determined that national “stability” was at stake. In an interview with state media in early February 2015, he asserted that “foreign organizations” and

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“ex-political hardliners are behind the protests... using their children to take the leading role in the protests.”

This narrative of not only guardianship but also omniscience is repeated throughout official government and Tatmadaw literature, speeches, school textbooks, holiday performances, and cultural exhibits. For Lt. Col. Hla Min and probably most of the officer corps in the 1990s and 2000s, the events of 1988 justified not only large-scale surveillance and political intelligence collection but also the militarization of governance in a way that, as Hla Min said, “the Myanmar Government has, as most developing countries in the East, been prioritizing community rights at this stage of her development rather than giving priority to individual rights like the developed countries. One of Myanmar’s top priorities is to provide her citizens with security, one of the basic human rights.”

In practice, all public affairs, administration, and policy effectively became matters of “national security” and, therefore, the responsibility and prerogatives of the military throughout the 1988–2011 period. Naing-ngan-yeh (“national affairs” and/or “politics”) was firmly in the domain of the armed forces, as represented in Figure 3.

Unexpectedly, the domain of military prerogatives has been recast since 2011. A succession of executive decisions, laws passed by the Union Hluttaws (legislative houses), official speeches, media interviews, and formal and informal negotiations have created a realm of naing-ngan-yeh, public life and “the political,” that are not entirely subsumed under “national security.” In other words, from 2011–2015, “politics” stopped being seen as an automatic “threat to the Union.” Figure 4 depicts the current (2015) status of this change.

Unforeseen by most domestic and international observers, the timing, causes, drivers, and implications of this opening remain uncertain and will be the subject of future historical research. However, in the official discourse, this change was the “always-planned” conclusion to the Seven-Step Road Map that steered the nation away from anarchy and toward “genuine democracy.” Reflecting this narrative, Sr. Gen. Min Aung Hlaing said in 2013, “[T]he Tatmadaw put the country on the path to democracy.” In other words, the military made “reforms” possible, in this official view.

If this partitioning of “national security” from non-threatening “politics” endures, it will turn out to be the most significant structural change of the last few decades. However, its implications should not be overstated. The shift has opened space for political debates on a new

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range of issues, but there remains no question that the military retains power over not only “national security” but also, more importantly, the very definition of what constitutes that category. The constitution ensures that the Tatmadaw has the power to define the parameters of “national security.” While it also provides for new avenues for transparency, openness, and accountability on “political” affairs, no formal or informal mechanisms have emerged to provide for the same on the evolving conception of “national security.”

Notably, in public statements, both active-duty and many retired military officers have made clear that this opening is conditional. As one former, high-ranking officer told the author, “Politicians and the people have to prove themselves responsible. Otherwise the Union cannot
survive.” His implication was that the Tatmadaw has already proven itself responsible and capable and, therefore, entitled to adjudicate when and how civilians have met an undefined standard of “responsibility.” This sentiment has been echoed in recent media coverage of the commander-in-chief and in meetings with visiting delegations, wherein senior military officials have indicated openness to “eventual” democratic civilian control of the military. At the same time, the commander-in-chief and other senior leaders have underscored the precariousness of Myanmar’s geostrategic position, the disadvantage its weak economy poses, the vulnerability of the population “to outside groups which egg them on” in communal violence, the low levels of discipline (see-khan) among the citizenry, and a host of other perceived handicaps the military considers as evidence that the country is not ready for such a change.

Hence, at the outset of 2015, the official story of “national security” is this: The Tatmadaw has managed to fortify Myanmar against enough of the vast threats it faces to give up its command over many areas of national affairs. The remaining threats to national sovereignty and unity, in the official view, have been contained by provisions of the 2008 constitution. But these fortifications can only withstand so much pressure. Loun-kyoun-yeh cannot be absolutely guaranteed, not even by the “genuine, disciplined multi-party democratic system” crafted by the military leadership. Myanmar remains at a profound disadvantage, given its geostrategic, economic, social, infrastructure, and human resources challenges. From inside and outside the country, threats to national security and the 2008 constitution may be less urgent than in the past. However, only with the military in a “leading role” can Myanmar hope to achieve the tranquility and order necessary to protect the nation. Hence, security of the state and its institutions, as currently constituted, remains the duty of the entire population, but the prerogative of the military.

Sr. Gen. Min Aung Hlaing’s confidence in this prerogative was perhaps most evident in July 2014 when he was quoted as having told the Thai junta that armed forces “are duty-bound to maintain national security and ensure safety for the public.” When questioned about this statement by Channel News Asia in late January 2015, he was undaunted:

The duty of the military is to defend the country. The defense of the country means to make the country safe and secure, to protect the people, their lives, their property. So this applies. It is the ruling government, which works for the development of a country. It is the responsibility of the government and the police to ensure rule of law and stability. If they cannot carry this out, the organization that can help and which is strong, is the military. Wherever you look, it is the way things are done.

66 Confidential interview, November 1, 2014.
Although military leaders, including the commander-in-chief, may occasionally include Western concepts like “human security” and “professional military” in their speeches, the significance of these utterances should not be overstated. The fact that these concepts are articulated as loaned English words in the middle of Burmese-language speeches is a reminder that Myanmar’s military officers have little linguistic, institutional, or historical experience with them.70

**Popular Views: Divided**

In a deeply divided society such as Myanmar, a multiplicity of unofficial, anti-official, and “popular” views of what has occurred and what should occur in the name of “security” can be found among citizens who are not members of the military. For some sympathizers of ethnic-majority Burman political opposition groups, such as the National League for Democracy or the 2015 student protestors, the military’s overreach in the name of “national security” has long undermined national progress. These critics charge the military with invoking “national security” not so much when the country faced threats to the first two National Causes, but rather whenever it perceived threats to its own institutionalized political power (i.e., the Third National Cause). In non-state media and social media coverage of the Letpadan standoff between student protestors and the police, the latter were frequently referred to as “loun-kyoun-yeh,” whereby “security” represents whatever arm of the state is stifling the expression of rights and aspirations.

For non-Burman ethnic nationality populations, particularly those living in the states along the nation’s borders, much of the rhetoric about “security”—whether coming from the government or the Burman-dominated political opposition in central Myanmar—represents Burman majority urges to pacify, oppress, extort, and extract from non-Burman groups.

Most opposition forces have a common goal of scaling back the “leading role” of the military and changing its makeup. However, much of the popular or populist rhetoric about “national security” (as opposed to “security forces”) shares the Tatmadaw’s sense of the country’s extreme vulnerability to myriad threats. Opposition political, cultural, and social leaders, likewise, commonly criticize Myanmar citizens for their lack of discipline (see-khan). Opposition groups differ with the official view of security in their solutions to these challenges. Whereas the military prioritizes security of the state, most political opposition and identity-based populations entertain greater concern for individual and minority group rights.

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70 One ill-advised report, for example, inferred from Min Aung Hlaing’s 2014 graduation speech at the Military Medical University that his reference to “human security” signaled “an important shift in the development of military doctrine, one that entails a major change in the style of the leadership of the armed forces.” Su Mon Thazin Aung, “The Man to Watch: Is Burma’s Top General Maneuvering for a Run at the Presidency?” *Foreign Policy*, January 15, 2014, [http://foreignpolicy.com/2014/01/15/the-man-to-watch/](http://foreignpolicy.com/2014/01/15/the-man-to-watch/). There is no evidence to back up this claim.
In recent years, Burman political oppositions have mobilized around demands for human rights and especially “rule of law” as priorities for achieving htee-ngyein aye-chan-yey (“tranquility”) and reform. As is the case with the official view, some of these aspirations do not assume that tranquility must be achieved for the nation’s vulnerability to be managed. For example, scholar Nick Cheesman argues that in opposition leader Aung San Suu Kyi’s advocacy for strengthening “rule of law,” and in her work on the Rule of Law and Tranquility Committee in the parliament, she equates “rule of law” with the achievement of a conflict-free tranquility or “law and order.”

Importantly, ethnic nationalities and religious minorities have a different agenda, having sought a range of individual and community protections, decentralization of political power and greater recognition of or accounting for past suffering. “Security” for these groups will come only with a major restructuring of the political relationship between the dominant Burman and Buddhist majority and the non-Burman, non-Buddhist populations scattered throughout the country, but constituting a formidable third of the population.

Conclusions

This paper has argued that, as implemented by the current government, the 2008 constitution has separated “national security” from “national affairs” for the first time in at least three decades, thus allowing for greater political space. The military’s de jure and de facto authority over some areas of policy, resources, and power appears to have been reduced. Additionally, Tatmadaw leaders have indicated that they are open to the eventual withdrawal of the institution from some political roles, subject to conditions imposed by the military and at a pace determined by military leaders.

Importantly, the multiple and overlapping reform processes could not have happened without some degree of support, ownership, or acquiescence by the senior military leadership. In other words, Myanmar is in the midst of “top-down” or “managed” transition in which military leaders and the military-as-an-institution are invested. As a result, the continued “leading role” of the military in national affairs has likely limited the pace and nature of the reforms to a degree that political oppositions view as obstructive.

For at least 20 years, and arguably over a century, the legal, administrative, and regulatory architecture of governance in Myanmar has prioritized order and “tranquility” over human rights, service delivery, and poverty alleviation. Concerns about maintaining state secu-

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72 In research for this paper, one Yangon-based diplomat suggested Aung San Suu Kyi’s alignment of her goal of “rule of law” with the military’s concern about “law and order” may represent a strategic position by which she is attempting to assure the Tatmadaw that she has no radical agenda.
rity have been paramount throughout all state-society relations. Legal and policy frameworks continue to guarantee the autonomy of the military on matters related to “national security.” There is no formal legal mechanism or informal basis for civilian control or oversight over the military. Hence, informally and formally, demilitarization of governance will likely remain elusive in Myanmar, as is the case elsewhere in Southeast Asia. Thus far, military leaders’ stated interests in what they call in English “professionalization” of the military do not amount to commitments to civilian control.

All this said, however, by Myanmar standards, the opportunities for informal and formal dialogue with senior military officials, police, and other security actors have never been greater than in the last three years. The military has not requested international assistance for overall security sector reform, but senior leaders have shown openness to new forms of discussions, exchanges, and engagement with a broader range of international actors than ever before.
Chapter 4

Myanmar’s Development Vision

Toshihiro Kudo and Satoru Kumagai

Introduction

Myanmar has been actively re-engaging with the global economy since the inauguration of the administration led by President U Thein Sein, in March 2011. To pursue successful re-engagement, Myanmar’s development strategy has been comprehensive and challenging. The prioritized agenda in the Framework for Economic and Social Reforms (FESR) is the first governmental document on planned reforms under the Thein Sein government. It consists of 10 interrelated areas: (1) fiscal and tax reform, (2) monetary and finance sector reform, (3) trade and investment liberalization, (4) private sector development, (5) improved health and education, (6) food security and agricultural growth, (7) improved governance and transparency, (8) expanded mobile telephony and Internet access, (9) infrastructure investment, and (10) more efficient and effective government.

Translating these agenda items into feasible development programs is a challenging but high-priority task for Myanmar. It requires a shared development vision to guide prioritization, manage expectations, and clarify the way forward.

The authors played a key role in drafting the Economic Research Institute for ASEAN and East Asia’s (ERIA) Myanmar Comprehensive Development Vision (MCDV), under the guidance of the Ministry of National Planning and Economic Development (NPED). The MCDV presents long-term development objectives and growth strategies, which were offered as suggested input for the National Comprehensive Development Plan (NCDP) of the Government of Myanmar. The goal of the MCDV is to achieve people-centered development supported by three pillars: high growth and global linkages, inclusive and balanced benefits, and green and sustainable growth.
This paper presents the key issues and policy recommendations of the MCDV.

**Growth Strategies and Main Discussion Areas**

The MCDV advances three strategies, dubbed: (1) Agriculture Plus Plus, (2) Export-Oriented and Foreign Direct Investment (FDI)-driven Industrialization, and (3) Two-Polar Growth. In addition, the MCDV addresses rural development and poverty reduction; small and medium enterprise development; infrastructure and energy; and green, inclusive, sustainable aspects of growth. Finally, the MCDV emphasizes the need for a sound financial sector and sustainable mechanism for project financing.

**Agriculture Plus Plus**

Although the relative importance of agriculture is declining in industrializing economies, agriculture is not a sunset industry. In the long run, developing economies cannot rely on agriculture to absorb a larger labor force than manufacturing and services. Rather, agriculture is expected to release labor to other sectors. Nevertheless, agriculture can still contribute to economic development by increasing land and labor productivity and reducing poverty.

A cross-country study by The World Bank reveals that gross domestic product (GDP) growth originating in agriculture is at least twice as effective in reducing poverty as GDP growth originating outside agriculture.

Myanmar’s industrial sector has been dominated by agro-processing, such as rice milling and edible oil extraction. For the foreseeable future, Myanmar will continue to benefit from its agriculture, livestock breeding, fisheries, and agro-processing industries. As a result, agricultural growth can induce strong growth in other economic sectors through multiplier effects. Therefore, for several years, the growth strategy for most agriculture-based economies must be anchored in agricultural progress.

Table 1 presents various aspects of agricultural production in selected Association of Southeast Asian Nations (ASEAN) countries. Labor productivity is defined as agricultural GDP divided by the economically-active agricultural population. Labor productivity in agriculture seems to follow a country’s overall level of economic development. The labor productivity values of Indonesia, Thailand, and the Philippines are each above US$2,000 per unit of labor, and those of Cambodia, Lao People’s Democratic Republic (PDR), and Vietnam are approximately US$900–1,000. Myanmar’s labor productivity is US$889 per unit of labor, the lowest.

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76 Ibid., 7.
The United States and Japan: Assisting Myanmar’s Development

The land per agricultural worker in Myanmar is the second lowest among ASEAN countries (0.61 hectare/laborer). This suggests that, if Myanmar wants to increase agricultural value-added, it cannot rely on growth in labor inputs because such growth is likely to decrease land per agricultural worker further; moreover, the availability of further labor inputs will decrease as more workers are eventually absorbed by other sectors, manufacturing in particular.

There are two other ways to increase value-added in agriculture: by improving land and labor productivity and by broadening economic functions along the value chain. This strategy is called “Agriculture Plus Plus” (Figure 1). The country could tap four other agricultural sources of growth, namely, expanded agricultural land, enhanced labor, enhanced land productivity, and total factor productivity. The Agriculture Plus Plus strategy aims to move along the farming value chain to higher value-added activities, such as research and development and post-harvest businesses, including distribution and marketing. It also aims to shift the whole value chain to a higher level through productivity-driven growth.

Table 1: Agricultural Production in Selected ASEAN Countries (2012).

<table>
<thead>
<tr>
<th></th>
<th>Value added and productivity</th>
<th>Population and labor</th>
<th>Land area and usage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A)</td>
<td>(A)/(C)</td>
<td>(A)/(E)</td>
</tr>
<tr>
<td></td>
<td>Agricultural GDP</td>
<td>USD/worker</td>
<td>USD/ha</td>
</tr>
<tr>
<td>Indonesia</td>
<td>126,814</td>
<td>2,538</td>
<td>2,244</td>
</tr>
<tr>
<td>Thailand</td>
<td>43,468</td>
<td>2,411</td>
<td>1,988</td>
</tr>
<tr>
<td>Philippines</td>
<td>29,614</td>
<td>2,182</td>
<td>2,389</td>
</tr>
<tr>
<td>Vietnam</td>
<td>30,650</td>
<td>1,003</td>
<td>2,827</td>
</tr>
<tr>
<td>Malaysia</td>
<td>30,625</td>
<td>20,241</td>
<td>3,952</td>
</tr>
<tr>
<td>Myanmar</td>
<td>18,424</td>
<td>889</td>
<td>1,463</td>
</tr>
<tr>
<td>Cambodia</td>
<td>4,711</td>
<td>901</td>
<td>819</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>2,364</td>
<td>914</td>
<td>958</td>
</tr>
<tr>
<td>Total/Average</td>
<td>286,670</td>
<td>2,016</td>
<td>2,202</td>
</tr>
</tbody>
</table>


Note: For Myanmar, the end of the period exchange rate is used to convert nominal GDP in local currency to U.S. dollars because the period average rate does not precisely reflect the stabilized currency rate after April 2012 when the kyat was devalued.
Export-Oriented and FDI-Driven Industrial Development

Myanmar’s export value grew 15 times between 1990 and 2010. Nevertheless, the value of Myanmar’s exports in 2010 was significantly lower than Vietnam’s, at less than 10 percent of total GDP. Although Vietnam exported only 2.5 times more than Myanmar did in 1990, it exported more than 13 times the amount that Myanmar did in 2010. Why is there such a large gap in export performance if both countries initiated open-door policies in the late 1980s? The answer is that an important factor in export-oriented industrialization is export diversification.

Table 2 shows Myanmar’s and Vietnam’s top 10 exports in 2013. Natural gas accounted for more than 30 percent of Myanmar’s exports; it has been exploited offshore from Martaban Bay and transported to Thailand by pipeline, since approximately 2000. In addition, another natural gas pipeline off Rakhine State, Shwe, started operation in 2013 to export gas to China’s Yunnan Province. This will further increase the share of natural gas in Myanmar’s total exports. Myanmar’s natural gas exports increased from US$108.6 million in 2000 to US$3.8 billion in 2013. Although Myanmar’s proven natural gas reserves were the lowest among five gas-producing ASEAN countries at the end of 2012, it is obvious that Myanmar relies heavily on natural gas exports.

Excluding natural gas, Myanmar’s total exports grew annually by only 6.2 percent from 2000 to 2010. The second-largest export category was cork and wood (14.8 percent), followed...
by apparel and clothing (12.0 percent), non-metal minerals (10.3 percent), and vegetables and fruit (9.0 percent). Thus, only five goods accounted for 80 percent of Myanmar’s total exports in 2013.

In contrast, Vietnam’s exports are a model of diversification. Its proven oil reserves are the highest among five oil-producing ASEAN countries.\(^7^8\) Telecommunications and sound equipment, mainly smart phones, accounted for 23.4 percent of total exports in 2010, followed by apparel and clothing (12.5 percent), footwear (8.6 percent), and office machines (7.7 percent). The top 10 goods accounted for 76.5 percent of Vietnam’s total exports. Moreover, the share of petroleum in Vietnam’s exports declined from 33.4 percent in 1990 to 19.7 percent in 2000 and 4.3 percent in 2013.

To advance export diversification, Myanmar’s first step should be to boost its ability to host export-oriented industries. The apparel industry is a case in point. After that, joining production and distribution networks of electric and electronics companies in East Asia will be key to advancing to the next stage of industrialization. Myanmar should also tap into intra-regional markets, such as China, India, and Thailand, and traditional export markets, such as the United States and European Union.

Relatively low-wage and high-quality labor availability is one of the biggest advantages for Myanmar. Economic growth can be driven by FDI because FDI spurs job creation, technology transfer, collaborations between multinational corporations and local companies, and

\(^{78}\) Ibid.

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### Table 2: Top 10 Export Goods of Myanmar and Vietnam (2013).

<table>
<thead>
<tr>
<th>SITC</th>
<th>Description</th>
<th>Value (Mil. USD)</th>
<th>Share</th>
<th>SITC</th>
<th>Description</th>
<th>Value (Mil. USD)</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>Natural gas</td>
<td>3,816.0</td>
<td>34.3%</td>
<td>76</td>
<td>Telecom. and sound equipment</td>
<td>40,739.6</td>
<td>23.4%</td>
</tr>
<tr>
<td>24</td>
<td>Cork &amp; wood</td>
<td>1,649.4</td>
<td>14.8%</td>
<td>84</td>
<td>Apparel &amp; clothing</td>
<td>21,710.0</td>
<td>12.5%</td>
</tr>
<tr>
<td>84</td>
<td>Apparel &amp; clothing</td>
<td>1,334.9</td>
<td>12.0%</td>
<td>85</td>
<td>Footwear</td>
<td>14,905.4</td>
<td>8.6%</td>
</tr>
<tr>
<td>66</td>
<td>Non-metal minerals</td>
<td>1,142.4</td>
<td>10.3%</td>
<td>75</td>
<td>Office machines</td>
<td>13,317.9</td>
<td>7.7%</td>
</tr>
<tr>
<td>5</td>
<td>Vegetables and fruit</td>
<td>1,005.2</td>
<td>9.0%</td>
<td>77</td>
<td>Electrical machinery &amp; parts</td>
<td>11,255.3</td>
<td>6.5%</td>
</tr>
<tr>
<td>28</td>
<td>Ores &amp; metal scrap</td>
<td>460.9</td>
<td>4.1%</td>
<td>33</td>
<td>Petroleum &amp; products</td>
<td>7,465.5</td>
<td>4.3%</td>
</tr>
<tr>
<td>3</td>
<td>Fish</td>
<td>376.2</td>
<td>3.4%</td>
<td>3</td>
<td>Fish</td>
<td>6,711.3</td>
<td>3.9%</td>
</tr>
<tr>
<td>23</td>
<td>Crude rubber</td>
<td>199.6</td>
<td>1.8%</td>
<td>82</td>
<td>Furniture</td>
<td>6,392.5</td>
<td>3.7%</td>
</tr>
<tr>
<td>33</td>
<td>Petroleum &amp; products</td>
<td>153.7</td>
<td>1.4%</td>
<td>7</td>
<td>Coffee, tea, cocoa, etc.</td>
<td>5,853.3</td>
<td>3.4%</td>
</tr>
<tr>
<td>89</td>
<td>Misc manufactured articles</td>
<td>140.4</td>
<td>1.3%</td>
<td>65</td>
<td>Textile yarn &amp; fabrics</td>
<td>4,652.3</td>
<td>2.7%</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>849.6</td>
<td>7.6%</td>
<td></td>
<td>Others</td>
<td>40,777.6</td>
<td>23.5%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>11,128.1</td>
<td>100.0%</td>
<td></td>
<td>Total</td>
<td>173,780.8</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: UN Comtrade.
participation in international production networks. Myanmar can improve its FDI climate by improving its infrastructure, advancing its human resources, updating its labor laws, and minimizing business costs.

**Economic Corridors Development**

Economic corridors in Myanmar will connect not only domestic networks but also ASEAN, Greater Mekong Sub-region (GMS), and India networks. Four economic corridors proposed in the MCDV—the North-South Economic Corridor, East-West Economic Corridor, Northeast-Southwest (Right Sash) Corridor, and Southeast-Northwest (Left Sash) Corridor—are the main routes that can connect hubs and nodes of the country, and all have country-to-country connections (Map 1).

These corridors also have development, transportation, and logistics features that will potentially contribute to Myanmar’s economy and its international connectivity with neigh-

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**Map 1: Four Economic Corridors Proposed.**

![Map 1: Four Economic Corridors Proposed.](source: Authors)
boring countries. However, the corridors have to be supported with actions such as trade and logistics facilitation, promotion of private investment, and development of tourism.

**Two-Polar Growth Strategy and Border Area Development**

The MCDV proposes a Two-Polar Growth Strategy that includes both “high” and “balanced” growth. The first growth pole is Yangon, and the second is Mandalay. Under this strategy, Naypyidaw, the national capital, would develop as an administrative center. The plan also proposes border development with enhanced connectivity to richer neighboring countries as a complementary strategy. A simulation analysis, using an Integrated Development Environment Geographical Simulation Model, examined the relationships among the development poles, the national GDP of Myanmar, and Yangon’s and Mandalay’s shares in national GDP.

We assumed that the costs of increasing productivity in a growth pole are proportional to its population. Furthermore, we assumed that available public development expenditure is fixed, and that if the number of development poles is increased, the expenditure is shared by all growth pole regions in proportion to their populations. In addition, the increase in productivity of each region is assumed to be proportional to the development expenditure per capita.

Under these assumptions, the Two-Polar Strategy would decrease Yangon’s GDP share to 43.1 percent from 55.1 percent, whereas national GDP would slightly increase to 54 percent from 49 percent. Mandalay’s GDP share would increase to 19.1 percent from 10.8 percent. There appears to be no trade-off between higher growth and reduced inequality in the Two-Polar Strategy. However, if development resources are spread across many poles (we assumed 15 regions, including Yangon and Mandalay), the national GDP decreases by 20 percent, whereas Yangon’s GDP share decreases to 30.4 percent (Figure 2).

The Two-Polar Strategy also seems to be effective when it comes to poverty eradication. Policymakers should be mindful that scarce development resources should not be spread to too many regions in the early stages of economic development. However, they should pay particular attention to regions that are on the economic periphery, especially the mountainous and border regions.

Since the Two-Polar Strategy, alone, does not resolve the economic gap between the peripheral and central areas, a complementary strategy is needed to develop the peripheral areas. However, a strategy for peripheral development should not draw too many resources from the central areas in order to avoid an “equally poor” situation. Border development in Myanmar can be effected through border trade and border industry development. These can be done by enhancing inner- and outer-connectivity of border areas, developing human resources for border area development, and reducing institutional and service costs in special economic zones.

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Smointer cross-border economic transactions with neighboring countries would also help to connect the nodes with neighboring countries.

**Small and Medium Enterprise Development**

SMEs in Myanmar face high costs of energy, poor infrastructure, limited access to and high costs of finance, shortages of technical and professional expertise, and distortions resulting from past policies. Poor infrastructure and restricted flows of technology have led to limited utilization of information and communications technology (ICT), substandard production technology, and less involvement in research and development. There are major benefits for manufacturing SMEs that join production networks in East Asia, especially in the manufacturing and machinery industries. Policies aimed at facilitating SME participation in production networks should be synonymous with overall objectives of upgrading technological, financial, and management capacities of SMEs to help them become more competitive and move up the value chain of production.

The strategies proposed for SME development are based on the resources and capacities of the government, the urgency and crosscutting nature of the problems and solutions, and international good practices. The proposed strategies are: (1) improving regulatory and institu-
tional frameworks, (2) improving access to information and support services, (3) facilitating access to finance, (4) improving technology and innovation capabilities, (5) improving access to international markets, and (6) developing human resources.

**Rural Development and Poverty Reduction**

In order to reduce rural poverty and rural-urban disparities/gaps, six strategies are proposed: (1) providing basic needs and a safety net, (2) developing rural infrastructure, (3) strengthening agricultural productivity and agribusiness activities, (4) encouraging the diversification of the rural household economy, (5) promoting financial accessibility for rural development, and (6) conserving the natural resources and environments of rural communities.

The MCDV proposes that poverty reduction programs be devised with gender and community development dimensions for different geographical conditions, growth patterns, and agro-ecological zones. Social safety net programs are also needed that address cash transfers, insurance, labor market interventions, public works, food subsidies, and food transfers. Because social safety net programs are expensive, community-based organizations should assist the upward social mobilization of rural areas. Investments to strengthen the public service sector by establishing and implementing a robust regulatory framework and building project management capacity are also important.

**Infrastructure and Energy Development**

Absence of reliable infrastructure—transportation, energy, and communication—greatly hinders Myanmar’s growth potential and ability to fulfill its obligation to the ASEAN Economic Community. Recommended measures include: (1) prioritization of infrastructure areas, (2) development of Yangon with internationally-standardized infrastructure, (3) development of Mandalay and the Yangon-Mandalay link, and (4) designation of Dawei and Kyaukphyu as development nodes.

An integrated energy strategy will facilitate broader access to power across Myanmar by strengthening, extending, and expanding the main grid. This strategy will require massive investment if it is to extend access to electricity to peripheral regions. Since Myanmar has substantial energy resources, including thermal, hydro, oil, gas, and biofuel, it can be a valued supplier as well as a consumer of energy products in the region.

Developing these resources for generation and supply, both domestically and for export, will benefit neighboring countries and the region and will attract foreign factories to the Myanmar side of the border. Furthermore, since access to electricity will not be universal in Myanmar in the medium term, developing alternate energy systems—oil products like liquefied petroleum gas, traditional biomass, and mini hydropower systems on an off-grid and/or mini-grid basis—should be planned for rural areas.
Financial Sector Development
A well-developed banking system will create a better environment for monetary policies to work. The MCDV proposes a three-stage roadmap for banking system development. The first and most basic stage involves monetizing fiscal deficits. The second stage, focused on promoting creditors’ rights through human resource development and a stronger regulatory framework, and the third stage, aimed at establishing secondary markets for treasury bonds, can proceed simultaneously. Myanmar will also require planning for longer-term development of human resources in the accounting and judicial professions in order to strengthen institutional support for creditors’ rights. Vietnam and China have followed this roadmap for their transitions to market-oriented economies. Myanmar can learn a lot from their experiences.

Developing countries, such as Myanmar, also tend to face national budget shortfalls, and it is difficult for them to create sufficient fiscal space to meet huge infrastructure demands. Given its present situation, Myanmar needs to rely on external financial sources to bridge the gap between infrastructure needs and domestically-available funding sources. However, since official development assistance cannot be the main funding source for long, funding should be gradually shifted from public to private sources and from external to internal sources.

The MCDV also proposes the creation of a Project Development Facility to undertake preliminary feasibility studies, environmental impact assessments, legal and technical studies, and bid documents preparation. The winning bidders or entities could reimburse expenditures for project development. The government, grants from foreign governments, or concessional loans from multilateral agencies could back the facility.

Lastly, Myanmar must enhance its credibility. Credibility is gradually generated through sound macroeconomic policy (e.g., stable inflation and foreign exchange), healthy fiscal management, and better governance.

Conclusion
There are vast opportunities for Myanmar to enjoy latecomer’s advantages. Myanmar is presently transitioning into a modern developed nation, and this is the most appropriate time to pursue people-centered development that keeps citizens at the center of economic and political reforms. The MCDV prioritizes people-centered development strategies for Myanmar, and offers ideas and strategies for developing a transitional economy that can give Myanmar the type of growth that is high, globally linked, inclusive, balanced, green, and sustainable.
Chapter 5

The Political Economy of Reform in Myanmar: The Case of Rice and the Need for Patience

Vikram Nehru

Introduction

Myanmar’s economic reforms, which began just three years ago, already seem to be yielding growth dividends. The International Monetary Fund (IMF) estimates that gross domestic product grew 8.3 percent in 2013/14 and projects it will grow 8.5 percent a year for the next two years. These growth rates, if reached, would make Myanmar the fastest growing economy in Asia—a remarkable turnaround for an economy that had been virtually stagnant for decades under military rule. Rapid growth will be critical to reducing Myanmar’s poverty rate—estimated at 25.6 percent in 2010 by the United Nations Development Programme (UNDP) and at 37.5 percent by the World Bank (on the basis of the same underlying data).80

Maintaining rapid growth and poverty reduction will require continued progress on policy reforms. The priorities for economic reforms in Myanmar have been well articulated in the government’s Framework for Economic and Social Reform (FESR) that was presented to the international donor community in early 2013.81 The framework highlighted ten priorities in the

government’s economic strategy: fiscal and tax reforms, infrastructure, private sector development, monetary and financial sector reforms, liberalization of trade and investment, health and education, food security and agricultural growth, governance and transparency, mobile phones and internet access, and effective and efficient government.

The experience of other developing countries shows, however, that identifying “what” needs to be done is a far easier task than figuring out “how” it should be done. The political economy of reforms makes transformative change challenging in any country and requires strong leadership to overcome vested interests, balance competing objectives, and ensure appropriate sequencing of policy change.

Myanmar’s difficult political and economic history over the last six decades and its unfortunate legacy of weak social trust and even weaker institutions present particularly complex reform challenges for its policymakers. Data and information are scarce, and in-country experts who can understand, analyze, and act upon information are scarcer. What is more, although FESR’s policy priorities may seem obvious, the choices available to policymakers are not straightforward. Study the potential trade-offs and political economy challenges related to any of these priorities, then factor in the weight of history, distrust and weak institutions, and it becomes apparent that Myanmar’s economic reform challenges are going to be particularly complex.

For example, consider how Myanmar can, with its strong vested interests and weak institutions:

1. Encourage rice exports and ensure food security;
2. Pursue military and fiscal reforms simultaneously;
3. Liberalize trade and investment while ensuring inclusive growth;
4. Pursue natural resource development, while ensuring environmental and social safeguards;
5. Encourage public-private partnerships in infrastructure development, while managing fiscal risks;
6. Devolve responsibility for public expenditures to local governments, while improving national government effectiveness;
7. Encourage agglomeration economies by concentrating infrastructure development, while accelerating the development of ethnic states as a crucial complement to the peace process; and
8. Encourage the formation of trade unions, while maintaining international competitiveness.

This presentation cannot possibly examine the entire range of political economy issues confronting Myanmar. Instead, it will address the first on the list above—developing rice exports
while ensuring food security—as a way to illustrate that there are policy solutions to these complex challenges, but they require careful thought and even more careful implementation. Moreover, while Myanmar can learn from the experiences of its successful East Asian neighbors, its policy reforms must be conditioned on its own circumstances, history, institutions, politics, and culture.

The implications for the international community are clear. It must recognize that the Myanmar government and its people have an important stake in continuing reforms, but implementation will remain slow, in part because of the complexity of the undertaking. The international community should resist “maximalist advocacy”—seeking speed and comprehensiveness—due to its high risk of failure, the consequences of which would fall squarely on those living in Myanmar. Evidence shows that slow but steady reforms driven by pragmatic, not ideological, considerations tend to be more successful, provided that leaders agree on a clear vision of where they want to take their country. The international community’s role is to be supportive and patient and to let Myanmar figure out not just the “what” but also the “how.”

Past Policies, Unfortunate Results

At one time, Myanmar was considered the rice bowl of Asia. The British colonial government made rice production a priority in the late 19th Century, and investment in the Irrawaddy Delta for rice cultivation was among the largest single colonial investments in development anywhere in the world.82 Pre-Second World War (1936-40) paddy production exceeded seven million tons, and the country exported over three million tons of rice each year.83 Today, 75 years later, Myanmar’s rice exports have shrunk to around 1.3 million tons, of which half is illegal cross-border trade with China, Thailand, and Bangladesh.84 Myanmar has been displaced in world markets by Asia’s big three rice exporters: Thailand, Vietnam, and India (see Figure 1).

Over the last six decades, and up to as recently as two years ago, Myanmar’s food security strategy focused on making sure that rice—considered a strategic crop—was available at affordable prices. The motivation behind this strategy was understandable. Myanmar’s urban residents are important consumers of rice from both economic and political perspectives and, as important, Myanmar has a large rural population of landless poor (estimated at 30 percent of the total rural population) for whom access to affordable rice is critical to their survival.85

82 The British colonial administration invested in roads, railroads, canals, embankments, and river transportation. Some of this was financed using a newly-introduced land revenue system similar to the ones introduced in colonial India, while removal of the prevailing export ban on rice raised farmgate prices, encouraging production. See Michael Adas, The Burma Delta: Economic Development and Social Change on an Asian Rice Frontier, 1852-1941 (Madison: University of Wisconsin Press, 1974), 31-37.
84 Estimates of Myanmar’s smuggled rice exports vary enormously and should be treated with caution.
85 World Bank (2014), op. cit.
To pursue this strategy, Myanmar controlled exports of rice through export licenses, and required farmers to sell their rice at low prices to Myanmar rice millers. The low price of rice benefited consumers, but, unfortunately, it also penalized farmers by significantly reducing their incentives to produce. To ensure that these lower incentives did not affect rice production, farmers were allocated production quotas. Those whose land was classified as “rice producing” were required to grow rice and sell the crop to millers at state-determined prices. Rice farmers had preferential access to agricultural credit and enjoyed lower land taxes compared to those who produced other crops, such as beans and the grain legumes known as pulses. The milling industry was also considered “strategic,” so foreign direct investment in milling was prohibited. In addition, with high import barriers, domestic millers had no access to new milling machines or advanced milling technologies.

The consequences of these policies were predictable. Rice production largely stagnated; rice prices became highly volatile in the domestic market (more so than in international markets); and domestic stocks of rice fell to very low levels.

Myanmar’s agricultural sector data, including on rice production and rice stocks, are unreliable. For the purposes of this paper, therefore, data are taken from the United Nations Food and Agricultural Organization (FAOSTAT), which shows that rice production has stagnated at below 18 million tons for the last five years. Rice stocks at the end of 2011/12 were 0.4 million tons or roughly four percent of Myanmar’s total annual consumption of about 10 million tons.
The standard rule of thumb of stocks-to-consumption in most countries is around 15 percent; when stocks fall below that level, prices tend to become volatile, which is, indeed, what appears to have happened in Myanmar.\(^86\) Formal recorded exports of rice have reached 0.6 million tons, most of it low quality and destined for Africa; roughly an equal amount is exported “informally” to China across Myanmar’s porous land borders to the north and west.

The stark contrast between the performance of rice farmers and those cultivating beans and pulses is instructive. Since beans and pulses were not considered “strategic,” Myanmar liberalized their production and sales in 1988. As a result, production increased twelve-fold in the following two decades, even as rice production stagnated (see Figure 2). Ironically, because pulses and beans were considered less strategic than rice, they are, today, the second largest recorded export earner in the country, after oil and gas. The contrasting performance between rice and pulses production is all the more striking since farmers growing pulses probably faced tougher credit and infrastructure constraints than their rice-growing peers.

\(^86\) It is important to note that Myanmar’s official figures tell an altogether different story for rice. According to the numbers prepared by the Ministry of Agriculture and Irrigation (MOAI), paddy production increased 40 percent over the last fifteen years (from 22.59 million tons average in 2000/01–2004/05 to 31.50 million tons in 2011/12) and the stock-to-consumption ratio was around 60 percent. But most independent observers do not place much reliance on these numbers and prefer to use the numbers of the USDA or the UN Food and Agriculture Organization (which are largely consistent). See Sergiy Zorya, *Myanmar: Rice Price Volatility and Poverty Reduction*, (Washington: World Bank, 2014), 23. According to the USDA, rice production averaged 18.03 million tons between 2000/01 and 2004/05, and was 17.93 million tons in 2011/12—the last year for which data are available.
In short, Myanmar’s unfortunate history of rice production reached the worst of all possible worlds—stagnant production, low stocks, volatile prices, low exports, and food insecurity. Clearly, a better strategy was needed.

**Small Steps toward Reform**

Fortunately, policies have improved over the last two years. Farmers are no longer forced to produce rice, but this does not seem to have significantly changed the pattern of land use. As important, export licenses—though still required on a consignment-by-consignment basis—are issued relatively quickly and easily. But many key elements of the policy remain the same. Most important, foreign direct investment in rice milling is still prohibited on the grounds that milling is a strategic industry and falls outside the ambit of Myanmar’s new FDI law.

The overall impact of the policy regime in the last couple of years on the performance of the rice sector is difficult to assess, given the scarcity of recent data. Broadly, though, notwithstanding the few reforms in the agricultural sector, not much has changed.

Recent analysis shows that domestic rice prices among different local markets within Myanmar are weakly integrated, suggesting that local markets are beginning to function internally, although they are constrained by weak infrastructure and a dearth of price and market information. More important, the lack of correlation between domestic and international prices reflects market imperfections and informal export barriers that continue to impede the transmission of price signals to farmers.

One can speculate as to the causes of this lack of integration: risk-averse rice traders who continue to offer low prices to farmers, due to uncertainty about future government policies; an indicative export price set every week at the border for rice exports, as a means of levying a two percent advance income tax applied to all exports; and probably informal monopsony power applied by the Myanmar Rice Federation—a conglomeration of trader and miller associations led by one of Myanmar’s top businessmen.

**A Case for Bold Action**

As a developing country, Myanmar’s focus on domestic food security is understandable. Indeed, all Southeast Asian countries have such a focus, and with varying degrees of success, some have developed vibrant agricultural sectors.

Myanmar does not have to look much further than Cambodia to find an example from which it can draw valuable lessons for its own strategy. Cambodia is emerging from a history of conflict and has a GDP per capita that is similar to Myanmar’s, but its record of recent agricul-

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87 Ibid., 19.
tural growth has been impressive and well worth studying.

When Cambodia liberalized its agricultural sector in 2004, especially for exports, few would have predicted the impact on production and export performance. Between 2004 and 2012, agricultural production grew by an average of 8.7 percent a year—among the highest growth rates in the world. Paddy output grew, on average, nine percent a year (doubling output in the eight years between 2004 and 2012), maize 20 percent, cassava 51 percent, and sugarcane 21 percent.88

What did Cambodia do to achieve this impressive agricultural performance? It essentially liberalized agricultural markets and agricultural trade and encouraged FDI in rice milling. Indeed, just between 2009 and 2013, Cambodia’s rice-milling capacity increased sevenfold.89 The incremental investment in rice milling came from the private sector and at least a third was through joint ventures with foreign investors. In a period of eight years, from a base of virtually no rice or paddy exports, Cambodia’s milled rice exports jumped to 0.5 million tons, and the milled rice equivalent of paddy exports climbed to 1.5 million tons, for a total export volume of two million tons.

Most important, Cambodia’s accelerated agricultural production led to a decline in the poverty rate. In the space of four years (2007–2011), it went from 50 percent to 21 percent, and 60 percent of this decline was the result of increased productivity in the rice sector alone. Cambodia’s experience demonstrates agriculture’s powerful response to market signals; the price of rice in Cambodia is now closely integrated with its neighbors, Thailand and Vietnam.90 It also demonstrates the powerful impact of agricultural growth on poverty reduction. Cambodia has improved its food security not by depressing food prices but by transmitting market prices to its farmers. The resulting increase in incomes of farmers as well as landless laborers provides the exemplary lesson that increasing agricultural productivity and real incomes is a more powerful means of delivering food security than suppressing prices artificially for the benefit of consumers.

What the Cambodia example does not show are other avenues that Myanmar could take to complement policies for boosting rice production, land and labor productivity, and agricultural incomes. These could include mechanisms to ensure that the poor have access to food during unexpected shortages—such as through cash transfers and food-for-work schemes, neither of which suppresses incentives for producing food.

In addition, the international community should consider ways to insure Myanmar against unexpected rice production shortfalls, through financial insurance arrangements, such

90 Zorya, op. cit., 57.
as the World Bank’s deferred drawdown option. Such an instrument has never been tried to ensure food security, but there is no reason why it cannot be.

The example of Cambodia indicates clearly that the challenge in Myanmar is not what to do, but how to do it. It is imperative that Myanmar supports incentives for rice production— in the short term by eliminating export licenses and weekly indicative prices as well as liberalizing FDI in rice milling, and in the long term by building rural infrastructure (roads and irrigation), delivering better extension services, and providing good market information.

The Political Component

To implement such an agenda, Myanmar has to overcome several political economy obstacles. The first is the distrust of the market and the desire to promote food security through measures that restrict exports. Such distrust runs deep in the veins of Myanmar’s leadership, in part because there has been little experience with functioning markets for over two generations. Shifting from government-led to market-led development requires a change in mindset that can only come with time and first-hand experience of the benefits that such policies can bring.

The second is overcoming vested interests of the powerful rice-milling group, which prevents foreign direct investment in rice milling. The FDI law was an important milestone in improving the investment climate for foreign investors, but its implementation leaves a lot to be desired. The responsible organization, the Myanmar Investment Commission, does not see itself as a facilitator for foreign investment, but rather as a protector of Myanmar’s commercial and business interests. Its protective and interventionist instincts are unlikely to evaporate soon, and will take time to change and adjust.

The third political economy challenge is the recalibration of the role of the monopsonistic Myanmar Rice Federation. Placing power over rice exports in the hands of one organization (in particular, a confederation of business associations) potentially leads to conflicts of interest, high economic rents, reduced prices to farmers, lower production levels, lower farm incomes, and lower wages for landless laborers.

There is no reason why there cannot be multiple channels for rice exports that compete with one another in the prices they pay farmers (or millers) and in the quality control and shipping services they offer. Insisting on a single export outlet is akin to imposing an export tax that penalizes producers, except that in Myanmar’s case it transfers the rent not to the state but to

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91 A Deferred Drawdown Option (DDO) is a contingent credit line that allows the borrower to meet its financing requirements rapidly, following a shortfall in resources due to adverse economic events, such as a downturn in economic growth or unfavorable changes in commodity prices or terms of trade. It does not disburse unless a market threshold is passed. In the case of Myanmar rice, the threshold could be a pre-approved level for the domestic price of rice, provided there are assurances that the market price is a genuine reflection of supply and demand uncontaminated by government intervention or uncompetitive market behaviors.
rice traders and millers who are members of the federation. Recalibrating the role of the Myanmar Rice Federation and introducing a market-based, competitive export structure will face considerable opposition from powerful vested interests and will take time and determined political leadership to implement well.

Finally, there remains the issue of food security while all these reforms are being implemented. Installing market-friendly solutions—such as privately-owned storage facilities, market information systems, conditional cash transfer arrangements and insurance arrangements with multilateral development banks—will all take time and require reforms in other areas (notably in fiscal and financial systems and skills development).

**Conclusion**

The bottom line is that, while there may be a way forward in increasing rice production and ensuring food security, the complexity of the task should not be underestimated. It will require the concentrated effort of a government whose attention and scarce capacity will also be drawn to dozens of other equally, if not more, important challenges—political-, economic- and security-related.

The international community, in the meantime, has to walk the fine line of being supportive and patient, giving the benefit of the doubt to Myanmar, while at the same time being objective about Myanmar’s reform direction. The international community must acknowledge that the development trajectories of economies rarely, if ever, follow the orderly progress depicted in plans. Economic reforms are messy because they have to account for myriad considerations, including responding to unexpected and unpredictable shocks and changes in economic conditions. This is what makes development so challenging.
Annex 1

Establishing a War College in Myanmar

Aung Myoe

Introduction

In recent years, the Tatmadaw has officially committed to transforming into a “standard army” in the context of building a “discipline-flourishing democracy.” One of the important aspects of this transformation is military training and education, particularly for the officer corps.

At present, most military training and education courses focus on combat, and only the one-year Master’s course—M.A. in Defence Studies—at the National Defence College (NDC) broadly covers international affairs, public administration, and economic development. The NDC has three departments: (1) national and international affairs, (2) administrative and economic affairs, and (3) military and warfare. However, most of the lectures are delivered by staff from various ministries, and only a very few could be considered seriously academic. Therefore, it is important to introduce an academic program with solidly-structured curricula for future military leaders of a modern developed nation.

Current Military Training Programs

Pre-commission training programs are run by the Defence Services Academy (DSA) in Pyin Oo Lwin and the Officer Training School (OTS) in Bahtoo and Hmawbi. The OTS in Hmawbi offers a new program for female cadets. After either four years of training at DSA or nine months at OTS, cadets are commissioned into the three services. Upon becoming a Second Lieutenant, all officers are required to attend a three-month Platoon Commander course at Myanmar Army Combat Forces School, either in Bahtoo or Thandaunggyi.

One year after the commission, Second Lieutenants are promoted to Lieutenants. After another three years, they become Captains. All Captains are required to attend a three-month Company Commander course. After completion, they serve as General Staff Officers Grade-3 (staff position) for at least five years, before becoming Company Commanders (field position) with the rank of Major.

Upon becoming Majors after 9 to 10 years of service, they must complete a three-month Battalion Commander course, which prepares them to serve as General Staff Officers Grade-2 and, later, as 2nd in Command (2IC) in an infantry battalion. Within a few years, and after a two-week intensive course covering administrative matters, they may be promoted to Battalion Commander with the rank of Lieutenant Colonel.

After achieving the rank of Battalion Commander, officers take a one-year course at the
Command and General Staff College in Kalaw, where they learn how to command up to a Light Infantry Division (comprised of 10 light infantry battalions). After attending the Command and General Staff College, they may be promoted to General Staff Officer Grade-1.

Their next career opportunity, a few years later, is promotion to Colonel, in charge of a Tactical Operation Command (comprised of three infantry battalions). For further promotion to command a Light Infantry Division with the rank of Brigadier General, an officer must attend a one-year Master’s in Defence Studies course at the NDC in Naypyidaw. Trainees there are exposed to basic concepts of international relations, economic development, and modern warfare. Yet these courses are not sufficient to produce well-rounded, scholarly officers for the Tatmadaw.

**Proposed Training Program**

In order to fill gaps in officers’ education, it is important for Myanmar to establish a “National War College” that is similar to the U.S. Army War College or U.S. Naval War College, but provides all-services training programs.

**Proposed Myanmar National War College overview**

*Name*
- National War College

*Objectives*
- Educate military officers, public officials, and civilian leaders
- Provide comprehensive education on security affairs
- Train leaders to support a common, strategic vision for the nation

*Target Participant*
- Military rank of Major (2IC) or above
- 100 enrollees per year
- 70 percent from armed forces
- 15 percent from government departments
- 15 percent from civilian sector

*Admission Requirement*
- Undergraduate degree with at least 10 years of service in the public or private sector

*Degree Offered*
- Master of Arts in National Security and Strategic Studies
**Academic Calendar**
- **Academic Year**: May–April
- **Academic Term**: Trimester of 13 Weeks (12 weeks of lecture + 1 week of exams)
  - Term-1: First Week of May–Last Week of July
    - Two-Week Break
  - Term-2: Third Week of August–First Week of November
    - Two-Week Break
  - Term-3: Last Week of November–Last Week of February
    - March: defense of thesis, excursion, and graduation
    - April: summer vacation

**Curriculum and Courses**
- **Curriculum components** encompass five disciplines.
  1. **Strategic Studies Component (SSC)**
     - SSC-101 Grand Strategy and Strategic Theories
     - SSC-201 Theories of War and Strategic Thoughts
     - SSC-301 Contemporary Security and Strategy
  2. **International Relations Component (IRC)**
     - IRC-101 International Politics
     - IRC-201 Foreign Policy Analysis
     - IRC-301 International Political Economy
  3. **National Security Component (NSC)**
     - NSC-101 National and Military Leadership for Security
     - NSC-201 Security Sector Analysis and Management
     - NSC-301 National Security Decision Making
  4. **Military Operations Component (MOC)**
     - MOC-101 Campaign Theories and Military Campaigns
     - MOC-201 Military Technology and Warfare
     - MOC-301 Joint Military Operations
  5. **Regional Studies Component (RSC)**
     - RSC-101 Asia-Pacific—Security and International Relations
     - RSC-201 Europe—Security and International Relations
     - RSC-301 Middle East—Security and International Relations

- **The curriculum includes a supplementary component.**
  - Research Writing Component (RWC)—syndicate base (Note: Each syndicate is composed of 7–10 trainees.)
• RWC-101A/B/C English for Academic Purposes
• RWC-201A/B/C Special Seminar—topical international issues
• RWC-301A/B/C Advanced Seminar—thesis writing

**Timetable**

**Term-1**

<table>
<thead>
<tr>
<th>Day/Time</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
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<tbody>
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<td>08:15–09:45</td>
<td>RWC-101A</td>
<td>RWC-201A</td>
<td>RWC-101A</td>
<td>RWC-301A</td>
<td>RWC-101A</td>
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<tr>
<td>10:00–11:30</td>
<td>SSC-101</td>
<td>IRC-101</td>
<td>NSC-101</td>
<td>MOC-101</td>
<td>RSC-101</td>
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<tr>
<td>11:30–12:30</td>
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<td></td>
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<tr>
<td>12:30–14:00</td>
<td>SSC-101</td>
<td>IRC-101</td>
<td>NSC-101</td>
<td>MOC-101</td>
<td>RSC-101</td>
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<td>14:15–15:45</td>
<td>Sydicate Discussions</td>
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**Term-2**

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<th>Friday</th>
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<td>RWC-201B</td>
<td>RWC-101B</td>
<td>RWC-301B</td>
<td>RWC-101B</td>
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<td>SSC-102</td>
<td>IRC-102</td>
<td>NSC-102</td>
<td>MOC-102</td>
<td>RSC-102</td>
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<td>Lunch Break</td>
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<td></td>
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<tr>
<td>12:30–14:00</td>
<td>SSC-102</td>
<td>IRC-102</td>
<td>NSC-102</td>
<td>MOC-102</td>
<td>RSC-102</td>
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<td>Sydicate Discussions</td>
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**Term-3**

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<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
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<td>RWC-201B</td>
<td>RWC-101C</td>
<td>RWC-301C</td>
<td>RWC-101C</td>
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<td>SSC-103</td>
<td>IRC-103</td>
<td>NSC-103</td>
<td>MOC-103</td>
<td>RSC-103</td>
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<td>11:30–12:30</td>
<td>Lunch Break</td>
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<td></td>
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<td></td>
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<tr>
<td>12:30–14:00</td>
<td>SSC-103</td>
<td>IRC-103</td>
<td>NSC-103</td>
<td>MOC-103</td>
<td>RSC-103</td>
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<td>14:15–15:45</td>
<td>Sydicate Discussion</td>
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**Annex 2**

**USAID Assistance to Myanmar**

USAID Projects/Activities Profile (As of February 2015)

<table>
<thead>
<tr>
<th>Sector</th>
<th>S/No.</th>
<th>Project/Activity Name</th>
<th>Implementing Partner</th>
<th>Activity Description</th>
<th>Collaboration with Government Ministries</th>
<th>Coverage by State/Region</th>
<th>Start Date</th>
<th>End Date</th>
<th>Life of project funding estimate ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>ASEAN Connectivity through Trade and Investment (ACTI)</td>
<td>Nathan Associates, Inc.</td>
<td>Support economic reforms to facilitate Myanmar’s integration into ASEAN, and lay a strong foundation for sustained, broad-based economic development.</td>
<td>Ministry of National Planning and Economic Development, Ministry of Commerce, Ministry of Information and Communications Technology</td>
<td>ASEAN and National</td>
<td>Sept 2013</td>
<td>Dec 2015</td>
<td>4,000,000</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Food Security and Livelihoods Trust Fund (LIFT)</td>
<td>United Nations Office of Projects and Services (UNOPS)</td>
<td>Increase food availability and incomes for over two million poor people in Myanmar through improved production and post-harvest technologies, improved access to inputs and markets.</td>
<td>Ministry of Agriculture and Irrigation, Ministry of Cooperative, Ministry of Environmental Conservation and Forestry</td>
<td>National</td>
<td>Sept 2012</td>
<td>Sept 2017</td>
<td>12,000,000</td>
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<tr>
<td></td>
<td>3</td>
<td>University Partnerships</td>
<td>Indiana University/ Yangon Institute of Economics; University of Washington/ Myanmar Egress Capacity Development Center</td>
<td>Enable Burmese higher education institutions (HEIs) and organizations to accelerate and expand their valuable contributions to Myanmar’s social and economic development.</td>
<td>Ministry of Education</td>
<td>National</td>
<td>Oct 2013</td>
<td>Oct 2015</td>
<td>2,500,000</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>University Partnership: Sustainable Fishing Industry</td>
<td>University of Arizona; Yangon University; Pathein University</td>
<td>To move Myanmar’s seafood sector towards an industry that improves processing and marketing capabilities to meet global standards of sustainability, equitability, profitability, and food safety.</td>
<td>Ministry of Education, Ministry of Livestock, Fisheries and Rural Development</td>
<td>National</td>
<td>Sept 2014</td>
<td>Sept 2017</td>
<td>1,700,000</td>
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<td></td>
<td>5</td>
<td>Financial Sector Reform/ Commercial Law Development Program</td>
<td>US Treasury and US Commerce</td>
<td>Strengthen the capacity of Myanmar government institutions</td>
<td>Ministry of Finance and Revenue</td>
<td>National</td>
<td>March 2014</td>
<td>Sept 2016</td>
<td>2,000,000</td>
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<td>6</td>
<td>Fertilizer Sector Improvement</td>
<td>International Fertilizer Development Center</td>
<td>Increase the profitability and enhance the food security for small holder farmers through the introduction and diffusion of new fertilizer technology</td>
<td>Ministry of Agriculture and Irrigation</td>
<td>Bago, Ayeyarwaddy, Yangon</td>
<td>Sept 2014</td>
<td>Sept 2018</td>
<td>4,700,000</td>
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<tr>
<td>7</td>
<td>Stress Tolerant Rice in Vulnerable Environments</td>
<td>International Rice and Research Institute</td>
<td>Contributes to resiliency to drought, flooding, and cyclones by reducing rice crop losses and thereby improving the ability of communities to recover from natural disasters</td>
<td>Ministry of Agriculture and Irrigation</td>
<td>Bago, Ayeyarwaddy, Yangon, Mandalay, Rakhine</td>
<td>Sept 2013</td>
<td>Sept 2018</td>
<td>1,750,000</td>
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<td>8</td>
<td>Land Policy and Reform</td>
<td>Tetra Tech ARD, Inc.</td>
<td>Support Government of Myanmar’s formulation and implementation of sound and inclusive policy for land tenure and administration</td>
<td>Ministry of Environmental Conservation and Forestry</td>
<td>National</td>
<td>Sept 2013</td>
<td>Sept 2019</td>
<td>4,000,000</td>
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<tr>
<td>9</td>
<td>Food Security Policy Project</td>
<td>Michigan State University (MSU)</td>
<td>Will undertake food security policy analysis, field research based on surveys, value chain field research, rural household/community livelihood/land field research, and capacity building.</td>
<td>Ministry of Agriculture and Irrigation, Ministry of Livestock and Fishery, Office of President</td>
<td>National</td>
<td>Sept 2013</td>
<td>Sept 2017</td>
<td>7,000,000</td>
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<td>10</td>
<td>Value Chains for Rural Development</td>
<td>Winrock International</td>
<td>Reduce poverty and hunger in Myanmar by supporting small farm modernization and inclusive agriculture-led economic growth</td>
<td>Ministry of Agriculture and Irrigation, Ministry of Livestock, Fishery, and Rural Development</td>
<td>Shan State, Dry Zone</td>
<td>Sept 2014</td>
<td>Sept 2019</td>
<td>27,000,000</td>
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<td>11</td>
<td>Farmer to Farmer Program</td>
<td>Winrock International</td>
<td>To bring American agriculture specialists to work directly with Myanmar counterparts to address production issues related to crops, livestock, and aquaculture.</td>
<td>Ministry of Agriculture and Irrigation, Ministry of Livestock, Fishery, and Rural Development</td>
<td>Dry Zone, Ayewarwaddy Delta</td>
<td>Sept 2013</td>
<td>Sept 2019</td>
<td>3,000,000</td>
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<td>12</td>
<td>Sector Working Groups</td>
<td>Not Applicable</td>
<td>USAID contributes to setting the agenda and actively participates as co-chair of the Agriculture Sector Working Group. In addition, USAID participates in the following Working Groups: Trade; Public Financial Management; Information and Communication Technology; and Employment.</td>
<td>USAID is the co-chair of the Agriculture Sector Working Group, and is a member of the following Working Groups: Trade; Public Financial Management; Information and Communication Technology; and Employment.</td>
<td>National</td>
<td>Ongoing</td>
<td>Ongoing</td>
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<td>13</td>
<td>Road to Mandalay</td>
<td>CDM Smith</td>
<td>To train and provide technical assistance on safety practices for staff from Ministry of Construction for construction of a 10-kilometer segment on Yangon-Mandalay highway.</td>
<td>Ministry of Construction</td>
<td>TBD</td>
<td>Sept 2014</td>
<td>Sept 2015</td>
<td>1,000,000</td>
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<tr>
<td>No.</td>
<td>Activity Title</td>
<td>Implementing Organization(s)</td>
<td>Goals and Outcomes</td>
<td>Start Date</td>
<td>End Date</td>
<td>Budget</td>
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<tr>
<td>14</td>
<td>Elections and Political Processes Assistance Myanmar Activity</td>
<td>Consortium for Elections and Political Process Strengthening (CEPPS)</td>
<td>Increase the effectiveness of democratic institutions and processes by promoting credible, transparent, and inclusive elections in 2015. Strengthen the capacity of all stakeholders, including the Union Election Commission, the Parliament, all political parties, and civil society.</td>
<td>Mar 2013</td>
<td>Mar 2016</td>
<td>17,600,000</td>
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<tr>
<td>15</td>
<td>Civil Society and Media</td>
<td>FHI 360</td>
<td>Support sustainable development in Myanmar by enhancing the organizational and technical capacities of local civil society organizations and media outlets.</td>
<td>TBD</td>
<td></td>
<td>20,000,000</td>
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<tr>
<td>16</td>
<td>Promoting the rule of law in Myanmar</td>
<td>Tetra Tech ARB, Inc.</td>
<td>To support democratic development in Myanmar by strengthening the capacity of the legal institutions and actors including the Union Supreme Court, Union Attorney General’s Office, lawyers, legal officers, lawmakers, and civil society actors.</td>
<td>Sep 2013</td>
<td>Sep 2016</td>
<td>8,200,000</td>
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<tr>
<td>17</td>
<td>Building Constituencies for Peace in South East Myanmar</td>
<td>International Rescue Committee (IRC)</td>
<td>Broaden and build constituencies for peace in Karen state by changing community attitudes and fostering constructive engagement with key actors</td>
<td>Sep 2014</td>
<td>Sep 2017</td>
<td>1,200,000</td>
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<td>18</td>
<td>Project for Local Empowerment (PLE)</td>
<td>International Rescue Committee (IRC)</td>
<td>The program provides high impact and cost-effective humanitarian assistance along the Thailand-Myanmar border by building the technical, management and leadership capacities of Community-Based Organization (CBO) partners to deliver health, education, legal, and protection services, distribute food and cash transfers, and advocate for positive change for displaced Burmese.</td>
<td>Dec 2011</td>
<td>Sep 2015</td>
<td>40,000,000</td>
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<td>19</td>
<td>Office of Transition Initiatives</td>
<td>Development Alternatives, Inc. (DAI)</td>
<td>This assistance is designed to increase participation and inclusion in reform and peace processes and address critical impediments to democratic, political transition.</td>
<td>Nov 2012</td>
<td>Aug 2016</td>
<td>29,000,000</td>
<td></td>
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</tr>
<tr>
<td>20</td>
<td>Supporting Peace through Natural Resource Management in Myanmar’s Ethnic Regions (P-NRM) Activity</td>
<td>Mercy Corps</td>
<td>This activity aims to support Myanmar’s democratic transition by addressing natural resource conflicts through strengthening the capacity of key leaders and local organizations to implement negotiated agreements and will increase understanding between Myanmar and minority ethnic communities.</td>
<td>Apr 2013</td>
<td>Jun 2015</td>
<td>1,200,000</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>21</td>
<td>Peace Building through Community Development</td>
<td>CARE</td>
<td>To strengthen communities and leaders to prevent violence in Northern Rakhine State.</td>
<td>Oct 2013</td>
<td>Sep 2016</td>
<td>2,000,000</td>
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<tr>
<td>No.</td>
<td>Title</td>
<td>Implementing Organization</td>
<td>Description</td>
<td>Partnering Organization</td>
<td>Duration</td>
<td>Amount</td>
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<tr>
<td>22</td>
<td>The way forward program</td>
<td>Private Agencies Collaborating Together (PACT)</td>
<td>Provide humanitarian assistance to communities in central Myanmar through technical assistance and resources to address critical needs in maternal and child health; livelihoods; food security; and water, sanitation, and hygiene.</td>
<td>Ministry of Social Welfare, Relief and Resettlement</td>
<td>Sept 2011 - Sept 2016</td>
<td>55,000,000</td>
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<tr>
<td>23</td>
<td>Partnership for a Healthier Myanmar (Global Development Alliance with Proctor and Gamble, P&amp;G)</td>
<td>Population Services International (PSI)</td>
<td>A multi-year, multi-program Global Development Alliance projects aim at providing clean drinking water, promoting better hygiene behaviors, and building capability linked to improvements in delivery of Maternal, Newborn, and Child Health (MNCH) services.</td>
<td>Ministry of Health</td>
<td>Selected States/Regions TBD</td>
<td>2,500,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Control and Prevention of Malaria (CAP - Malaria)</td>
<td>University Research Corporation (URC)</td>
<td>A key component of the President's Malaria Initiative (PMI) program in the Greater Mekong Sub region is the Control and Prevention of Malaria project (CAP-Malaria). The objective of the CAP-Malaria is to establish a system control of malaria in the affected border regions through standardized treatment, information sharing, and surveillance. The assistance is focused on malaria-affected regions of Myanmar, Cambodia and Thailand.</td>
<td>Ministry of Health</td>
<td>National, Thaninthayi, Kayin and Southern Rakhine</td>
<td>Oct 2011 - Oct 2016</td>
<td>12,000,000</td>
<td></td>
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</tr>
<tr>
<td>26</td>
<td>Control and Prevention of Tuberculosis (CAP-TB) in the Mekong Region</td>
<td>Family Health International (FHI) 360</td>
<td>Strengthen the capacity of national and community-based TB programs in the Mekong Region to respond to Multi-Drug Resistant Tuberculosis.</td>
<td>Ministry of Health</td>
<td>National, Yangon, Mandalay</td>
<td>Oct 2011 - Oct 2016</td>
<td>5,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>World Health Organization (WHO) Consolidated Grant</td>
<td>World Health Organization (WHO)</td>
<td>Support and build the capacity of the National Malaria Control Program (NMCP).</td>
<td>Ministry of Health</td>
<td>National</td>
<td>Sept 2012 - Sept 2015</td>
<td>1,800,000</td>
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<td></td>
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<tr>
<td>#</td>
<td>Category</td>
<td>Organization</td>
<td>Description</td>
<td>Ministry of Health</td>
<td>Location</td>
<td>Start Date</td>
<td>End Date</td>
<td>Amount</td>
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</tr>
<tr>
<td>29</td>
<td>Management of Malaria Commodities</td>
<td>John Snow, Inc.</td>
<td>Strengthen the pharmaceutical management system, forecasting, and distribution of pharmaceuticals and rapid diagnostic test kits.</td>
<td>Ministry of Health</td>
<td>National</td>
<td>Sept 2012</td>
<td>Sept 2015</td>
<td>3,200,000</td>
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</tr>
<tr>
<td>30</td>
<td>Maternal and Child Survival Program</td>
<td>Johns Hopkins Program for International Education in Gynecology and Obstetrics (Jhpiego)</td>
<td>To improve maternal and child health in partnership with the Ministry of Health (MOH) and selected townships and communities.</td>
<td>Ministry of Health</td>
<td>Selected States/Regions TBD</td>
<td>July 2013</td>
<td>July 2018</td>
<td>5,000,000</td>
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<tr>
<td>31</td>
<td>World Health Organization Regional Office for the Western Pacific (WHO/WPRO) Regional Grant (new)</td>
<td>WHO/WPRO</td>
<td>To provide regional technical assistance to National TB programs and to support policy development, scaling up TB control plans.</td>
<td>Ministry of Health</td>
<td>National</td>
<td>Sept 2013</td>
<td>Aug 2015</td>
<td>1,300,000</td>
<td></td>
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<tr>
<td>32</td>
<td>Myanmar – Health Sector Coordinating Committee Secretariat Support</td>
<td>UNAIDS</td>
<td>To advance universal access to HIV prevention, treatment, care and support and to halt and reverse the spread of HIV.</td>
<td>Ministry of Health</td>
<td>National</td>
<td>Sept 2013</td>
<td>Sept 2016</td>
<td>930,000</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Partnership for Supply Chain Management</td>
<td>Management Sciences for Health (MHS)</td>
<td>Ensures the Ministry of Health has increased capacity to make available essential products and to strengthen national and regional health supply chains.</td>
<td>Ministry of Health</td>
<td>National</td>
<td>Sept 2012</td>
<td>Sept 2016</td>
<td>5,500,000</td>
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</tr>
<tr>
<td>34</td>
<td>The Three Millennium Development Goals Multi-Donor Trust Fund (3MDG)</td>
<td>United Nations Office of Projects and Services (UNOPS)</td>
<td>Strengthen the capacity of individuals, communities, organizations, and systems to lead effective local and national maternal and child health management.</td>
<td>Ministry of Health</td>
<td>Selected States/Regions TBD</td>
<td>Sept 2013</td>
<td>Sept 2016</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Demographic Health Survey</td>
<td>ICF International</td>
<td>National Health Survey</td>
<td>Ministry of Health</td>
<td>National</td>
<td>Oct 2013</td>
<td>Oct 2016</td>
<td>3,000,000</td>
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</tr>
<tr>
<td>36</td>
<td>Malaria surveillance</td>
<td>Malaria Consortium</td>
<td>Technical assistance on malaria surveillance</td>
<td>Ministry of Health</td>
<td>National</td>
<td>Oct 2013</td>
<td>Oct 2016</td>
<td>900,000</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Support to Yangon Eye Hospital (ASHA)</td>
<td>Himalayan Cataract Foundation</td>
<td>Technical assistance and equipment support to Yangon Eye Hospital</td>
<td>Ministry of Health</td>
<td>Yangon</td>
<td>Sept 2013</td>
<td>Sept 2014</td>
<td>380,000</td>
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</tr>
</tbody>
</table>
Annex 3

USAID Fact Sheet on Assistance to Myanmar

Since 2012, USAID has rapidly scaled-up programming in all 14 States and Regions benefiting millions of people across Myanmar. By September 2015, USAID will have provided a three-year total of $276 million in assistance to Myanmar. Late last year, USAID launched nine new or expanded projects of which four are highlighted below:

- A University Partnership with the University of Arizona, Yangon University, Pathein University, and the private sector; which will strengthen the marine science curriculum, provide scholarships, and build a modern microbiological laboratory;
- The Road to Mandalay Project; which will train and provide technical assistance on road safety practices for Ministry of Construction engineers and staff, as well as refurbish a 10-kilometer section of the Yangon to Mandalay highway;
- The Value Chains for Rural Development Project; which will help reduce poverty by supporting small farm modernization and connecting smallholder farmers to new markets; and
- The Fertilizer Sector Improvement Project; which will increase the profitability and enhance food security for 80,000 smallholder farmers through the introduction and diffusion of new fertilizer technology.

Under the guidance of the Ministry of Planning and Economic Development, information on all USAID programs is submitted to the Assistance Information Management System (AIMS). USAID programming focuses on four priority areas: Expanding Economic Reforms; National Reconciliation and Peace Building; Healthy, Resilient Communities; and Democracy and Governance. Below is a list of achievements categorized by priority areas.

Expanding Economic Reforms ($40.5 million): Currently, 12 USAID projects support Myanmar’s economic reforms by facilitating a dynamic environment for local enterprises to flourish, creating new economic opportunities, and improving the livelihoods of smallholder farmers. Achievements include:

- Launched over 20 public-private partnerships between U.S. and local institutions of higher education; businesses, including Microsoft, Exxon, Hewlett-Packard, Cisco,
Google, Intel, Proctor & Gamble, and Johnson & Johnson; and private foundations, including the Gates Foundation, The Henry Luce Foundation and Vina Capital Foundation in order to support small and medium enterprise development, improve healthcare delivery, and bring new technologies to the country;

- Extended financial services to more than 64,000 individuals from rural villages in Magway, Mandalay, Kayah, Sagaing and near Rangoon;
- Rural development programs in 2,177 villages in 20 townships throughout the Dry Zone, Kayah State, and Rangoon Division;
- Established 299 Farmer Extension Groups with nearly 7,000 participants;
- Launched a program that will provide 80,000 farmers with better fertilizer, increasing rice and vegetable yields by up to 25 percent;
- Brought twenty Farmer-to-Farmer technical specialists to work side-by-side with local farmers—including the prominent U.S. coffee firm Green Mountain;
- Tested thirteen new stress resistant rice varieties in Delta and Dry Zone villages;

- Partnered with the U.S.-ASEAN Business Council (USABC), through its ASEAN Committee led by Procter & Gamble, UPS, Hewlett-Packard (HP), General Electric (GE), and Microsoft, to expand the resources, scope and diversity of training for small and medium-sized enterprises and enhance the existing U.S.-ASEAN Business Council Small and Medium Enterprise program in the run-up to the creation of the ASEAN Economic Community in 2015; and
- Provided technical expertise through seminars and workshops including Commercial Law and Regulatory Frameworks for senior officials within the Union Attorney General’s Office and concerned Ministries.

NATIONAL RECONCILIATION and PEACE BUILDING ($12 million): U.S. assistance builds networks of cooperation and understanding within Myanmar’s diverse citizenry, and strengthens processes for peace and national reconciliation. Currently, five USAID projects support inclusive and transparent processes to lay the foundation for political resolution to long-standing conflicts and a durable peace. Achievements include:

- U.S.-funded programs increased the conflict mitigation capacity of 35 local partners, ensuring their programs “do no harm” and reduce conflict in their communities; and
- Conducted a series of ten tours to five cities to increase interfaith dialogue. Tours included the participation of a large number of young people.

HEALTHY, RESILIENT COMMUNITIES ($165.8 million): U.S. assistance improves the lives of millions in Myanmar. Projects aim to assist internally displaced people (IDPs) and reduce under-five child mortality and transmission of infectious diseases. Currently, 16 USAID
Projects are strengthening health systems, controlling and preventing the spread of infectious diseases, such as HIV, drug resistant strains of tuberculosis and malaria, and building the capacity of midwives and community based volunteers to improve maternal and child health. Achievements include:

- Trained more than 2,000 individuals in maternal and child health promotion skills and conducted nutrition events for over 50,000 children;
- Assisted approximately one million displaced or conflict-affected people and host populations along the Thailand-Myanmar border;
- Provided clinical services to more than 38,000 clients through mobile health clinics;
- Built and renovated 942 life-saving community-based water systems, distributed 52,225 household safe water systems, and improved access to safe drinking water for 280,970 people;
- Funded mobile delivery of rapid field diagnostic tests and drug therapy that contributed to the 46 percent drop in malaria cases—from 722,000 in 2002 to nearly 392,000 in 2012; and
- More than 100,000 households received long-lasting insecticide-treated nets that will protect against malaria and dengue.

**DEMOCRACY AND GOVERNANCE ($57.7 million):** U.S. assistance builds the capacity of democratic institutions and a politically-engaged civil society, promotes human rights, and strengthens rule of law. Currently, three USAID projects are working with all levels of the government and civil society to promote rule of law, support transparent and accountable governance systems, encourage an independent media, and foster a vibrant civil society. Achievements include:

- Supporting the Attorney General’s Office to advance Rule of Law;
- Supporting the Union Election Commission in advance of the 2015 Nationwide Elections;
- Supporting local civil society organizations to monitor the voter registration process in preparation for the 2015 Nationwide Elections;
- Assisted civil society organizations to conduct civic/voter education workshops in 11 states and regions, with 24 workshops in 11 states and regions in 2014;
- Since 2013, more than 3,500 political party members from 67 political parties have received training in constituent outreach and campaign strategy development; and
- Provided instrumental technical and capacity support that allowed more than 300 civil society organizations (CSO) and 5,800 individuals to more effectively engage in Myanmar’s transition and political process.
## Annex 4

### Japan International Cooperation Agency Assistance to Myanmar

**1988–2010**

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt Relief</th>
<th>Humanitarian Aid</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>28,501,690 USD (3,655,000,000 yen)</td>
<td>475,678 USD (61,000,000 yen)</td>
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</tr>
<tr>
<td>1989</td>
<td></td>
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<tr>
<td>1990</td>
<td>22,620,500 USD (3,500,000,000 yen)</td>
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<td></td>
</tr>
<tr>
<td>1991</td>
<td>40,016,055 USD (5,000,000,000 yen)</td>
<td></td>
<td>3,097,242.66 USD (387,000,000 yen)</td>
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<tr>
<td>1992</td>
<td>32,140,000 USD (4,000,000,000 yen)</td>
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<td>3,270,536.21 USD (408,000,000 yen)</td>
</tr>
<tr>
<td>1993</td>
<td>55,456,129.94 USD (16,200,000,000 yen)</td>
<td>161,001.67 USD (18,000,000 yen)</td>
<td>2,898,030.02 USD (324,000,000 yen)</td>
</tr>
<tr>
<td>1994</td>
<td>120,337,521.09 USD (12,000,000,000 yen)</td>
<td>10,449,308.08 USD (1,042,000,000 yen)</td>
<td>3,991,194.45 USD (398,000,000 yen)</td>
</tr>
<tr>
<td>1995</td>
<td>126,005,752.63 USD (13,000,000,000 yen)</td>
<td>28,099,282.84 USD (1,900,000,000 yen)</td>
<td>5,805,957.37 USD (599,000,000 yen)</td>
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<tr>
<td>1996</td>
<td>68,728,068.08 USD (8,000,000,000 yen)</td>
<td>833,327.83 USD (97,000,000 yen)</td>
<td>4,235,367.19 USD (493,000,000 yen)</td>
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<tr>
<td>1997</td>
<td>30,740,812.92 USD (4,000,000,000 yen)</td>
<td>937,594.79 USD (122,000,000 yen)</td>
<td>24,077,741.71 USD (3,133,000,000 yen)</td>
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<tr>
<td>1998</td>
<td>35,143,072.28 USD (4,000,000,000 yen)</td>
<td>11,351,212.36 USD (1,292,000,000 yen)</td>
<td>6,747,469.88 USD (768,000,000 yen)</td>
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<tr>
<td>1999</td>
<td>21,504,540.78 USD (2,471,000,000 yen)</td>
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<td>9,451,206.51 USD (1,086,000,000 yen)</td>
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<tr>
<td>2000</td>
<td></td>
<td>32,644,953 USD (3,751,000,000 yen)</td>
<td>13,715,928 USD (1,576,000,000 yen)</td>
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<tr>
<td>2001</td>
<td></td>
<td>46,104,186 USD (6,033,000,000 yen)</td>
<td>31,179,360 USD (4,080,000,000 yen)</td>
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<tr>
<td>2002</td>
<td>15,840,000 USD (1,878,838,188 yen)</td>
<td>30,030,000 USD (3,561,964,066 yen)</td>
<td>35,210,000 USD (4,176,382,110 yen)</td>
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<tr>
<td>2003</td>
<td></td>
<td>18,520,000 USD (1,980,305,615 yen)</td>
<td>12,560,000 USD (1,343,015,039 yen)</td>
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<tr>
<td>2004</td>
<td>8,410,000 USD (862,239,556 yen)</td>
<td>18,410,000 USD (1,887,494,676 yen)</td>
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<tr>
<td>2005</td>
<td>6,650,000 USD (782,982,963 yen)</td>
<td>19,030,000 USD (2,240,626,435 yen)</td>
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</tr>
</tbody>
</table>
### Loan Aid, Grant Aid, and Technical Cooperation 2006–2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Loan Aid</th>
<th>Grant Aid</th>
<th>Technical Cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>13,350,000 USD (1,590,748,286 yen)</td>
<td>17,480,000 USD (2,082,867,419 yen)</td>
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<tr>
<td>2007</td>
<td>11,680,000 USD (1,308,594,800 yen)</td>
<td>18,840,000 USD (2,110,781,338 yen)</td>
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<tr>
<td>2008</td>
<td>23,770,000 USD (2,154,449,810 yen)</td>
<td>18,710,000 USD (2,082,867,419 yen)</td>
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<tr>
<td>2009</td>
<td>24,500,000 USD (2,264,625,846 yen)</td>
<td>23,770,000 USD (2,197,149,239 yen)</td>
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<tr>
<td>2010</td>
<td>21,560,000 USD (1,753,101,338 yen)</td>
<td>25,270,000 USD (2,054,771,373 yen)</td>
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</tr>
</tbody>
</table>

### 2011–2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Loan Aid</th>
<th>Grant Aid</th>
<th>Technical Cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Social and Economic Development Support Program</td>
<td>2,309,605,053 USD (198,881,000,000 yen)</td>
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<tr>
<td>2011</td>
<td>Non-Project Grant Aid (1 project)</td>
<td>20,660,800 USD (1,600,000,000 yen)</td>
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<tr>
<td>2012</td>
<td>Debt Relief</td>
<td>1,334,647,251 USD (114,927,000,000 yen)</td>
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<td>2011</td>
<td>Grant Assistance for Japanese NGO Projects (10 projects)</td>
<td>4,571,202 USD (354,000,000 yen)</td>
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<tr>
<td>2012</td>
<td>The Project for Human Resource Development Scholarship (4 projects)</td>
<td>2,634,252 USD (204,000,000 yen)</td>
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</tbody>
</table>

### Project Details

- **2011**
  - The Provision of Equipment for Rural Water Supply Project in the Central Dry Zone: 8,122,277 USD (629,000,000 yen)
  - The Project of Food Aid for Poverty Areas including Ethnic Minorities (through WFP): 10,511,182 USD (814,000,000 yen)
  - The Project for Mangrove Rehabilitation Plan for Enhancement of Disaster Prevention in Ayeyawady Delta: 7,528,279 USD (583,000,000 yen)
  - Non-Project Grant Aid (1 project): 20,660,800 USD (1,600,000,000 yen)
  - Grant Assistance for Japanese NGO Projects (10 projects): 4,571,202 USD (354,000,000 yen)
  - The Project for Human Resource Development Scholarship (4 projects): 4,248,377 USD (329,000,000 yen)
  - Grassroots Human Security Projects (27 projects): 2,634,252 USD (204,000,000 yen)

- **2012**
  - Social and Economic Development Support Program: 2,309,605,053 USD (198,881,000,000 yen)
  - Emergency Grant Aid for the purpose of contributing to the implementation of an emergency measure against a power crisis in the Republic of Myanmar: 9,290,400 USD (800,000,000 yen)
  - The Project for Improvement of Machinery for Rehabilitation of Polder Embankment in Ayeyawady Delta: 13,471,080 USD (1,160,000,000 yen)

- **2013**
  - The Project for Mangrove Rehabilitation Plan for Enhancement of Disaster Prevention in Ayeyawady Delta: 7,528,279 USD (583,000,000 yen)
  - Development of Participatory Multiplication and Distribution System for Quality Rice Seeds: 14,307,604 USD (1,108,000,000 yen)
  - Major Infectious Diseases Control Project Phase 2: 15,534,339 USD (1,203,000,000 yen)

- **2014**
  - The Project for Mangrove Rehabilitation Plan for Enhancement of Disaster Prevention in Ayeyawady Delta: 7,528,279 USD (583,000,000 yen)
  - Development of Participatory Multiplication and Distribution System for Quality Rice Seeds: 14,307,604 USD (1,108,000,000 yen)
  - Major Infectious Diseases Control Project Phase 2: 15,534,339 USD (1,203,000,000 yen)

- **2015**
  - The Project for Mangrove Rehabilitation Plan for Enhancement of Disaster Prevention in Ayeyawady Delta: 7,528,279 USD (583,000,000 yen)
  - Development of Participatory Multiplication and Distribution System for Quality Rice Seeds: 14,307,604 USD (1,108,000,000 yen)
  - Major Infectious Diseases Control Project Phase 2: 15,534,339 USD (1,203,000,000 yen)
<table>
<thead>
<tr>
<th>Year</th>
<th>Loan Aid</th>
<th>Grant Aid</th>
<th>Technical Cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Project for Upgrading the Health Facilities in Central Myanmar</td>
<td>14,585,928 USD (1,256,000,000 yen)</td>
<td>Project on Establishment of End-to-End Early Warning System for Natural Disaster</td>
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<td>The Project for Urgent Improvement of Communication Networks</td>
<td>19,858,230 USD (1,710,000,000 yen)</td>
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<td>The Project for Provision of Road Construction and Maintenance Equipment in Kayin State</td>
<td>881,426.70 USD (75,900,000 yen)</td>
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<td></td>
<td>The Project for Rehabilitation of Baluchaung No.2 Hydropower Plant</td>
<td>77,447,097 USD (6,669,000,000 yen)</td>
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<td></td>
<td>The Project for Upgrading Ferryboat in Yangon City</td>
<td>13,563,984 USD (1,168,000,000 yen)</td>
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<td></td>
<td>The Project for Establishment of Disastrous Weather Monitoring System</td>
<td>44,617,146 USD (3,842,000,000 yen)</td>
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<tr>
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<td>The Programme for Development and Rehabilitation of Community in Ethnic Minority Areas (through UN-HABITAT)</td>
<td>8,129,100 USD (700,000,000 yen)</td>
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<tr>
<td></td>
<td>The Project of Food Aid for Poverty Areas including Ethnic Minorities</td>
<td>23,226,000 USD (2,000,000,000 yen)</td>
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<tr>
<td></td>
<td>The Programme for Strengthening Local Governance Capacity, Livelihoods and Social Cohesion in Ethnic Minority Areas (through UNDP)</td>
<td>15,096,900 USD (1,300,000,000 yen)</td>
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<tr>
<td></td>
<td>The Programme for Assistance to Displaced Persons in Ethnic Minority Areas (through UNHCR)</td>
<td>7,560,063 USD (651,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Project for Improvement of Nationwide Airport Safety and Security</td>
<td>14,318,829 USD (1,233,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Project for Strengthening Human Development Institutions in Agriculture</td>
<td>11,705,904 USD (1,008,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Project for Improvement of Medical Equipment in Hospitals in Yangon and Mandalay</td>
<td>13,238,820 USD (1,140,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>2013 Project Description</td>
<td>USD (or Equivalent Yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Project Grant Aid (1 project)</td>
<td>9,290,400 USD (800,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Assistance for Japanese NGO Projects (11 projects)</td>
<td>5,040,042 USD (434,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Assistance for Underprivileged Farmers (1 project)</td>
<td>2,670,990 USD (230,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Project for Human Resource Development Scholarship (4 projects)</td>
<td>3,077,445 USD (265,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural Grassroots Project (1 project)</td>
<td>116,130 USD (10,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grassroots Human Security Projects (49 projects)</td>
<td>6,909,735 USD (595,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urgent Rehabilitation and Upgrade Project Phase 1</td>
<td>133,901,508 USD (14,652,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Project for Urgent Improvement of Water Supply System in Yangon City</td>
<td>18,105,100 USD (1,900,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project on Improvement of Service and Safety of Railway</td>
<td>12,435,345–14,341,145 USD (1,305,000,000–1,505,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure Development Project in Thilawa Area Phase 1</td>
<td>190,590,000 USD (20,000,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Project for the Improvement of TV Programs and Broadcast Editing Equipment of Myanma Radio and Television (MRTV)</td>
<td>781,378 USD (82,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project for Development of Water Saving Agriculture Technology in Central Dry Zone</td>
<td>12,444,874–17,209,374 USD (1,306,000,000–1,806,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Development Project for Poverty Reduction Phase 1</td>
<td>161,993,000 USD (17,000,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Project for Establishment of Disastrous Weather Monitoring System (Phase II)</td>
<td>2,201,199 USD (231,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project of Myanmar-Japan Center for Human Resources Development</td>
<td>12,482,990–15,341,690 USD (1,310,000,000–1,610,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Relief</td>
<td>1,797,636,321 USD (188,649,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Project for Development of ICT System for Central Banking</td>
<td>48,597,900 USD (5,100,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project for Enhancement of Engineering Higher Education in Myanmar</td>
<td>12,482,990–17,247,490 USD (1,310,000,000–1,810,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Project for Improvement of Medical Equipment in General Hospitals in Yangon</td>
<td>9,319,362 USD (978,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Project for Capacity Development of Legal, Judicial and Relevant Sectors in Myanmar</td>
<td>12,492,519–5,351,219 USD (1,311,000,000–1,611,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Project for Improvement of Road Construction and Maintenance Equipment in Rakhine Sate</td>
<td>7,032,402 USD (738,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project for Modernizing the Funds Payment and Securities Settlement Systems in Myanmar</td>
<td>13,359,658–17,171,258 USD (1,402,000,000–1,802,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Programme for Emergency Assistance to Displaced Children in Kachin and Rakhine (through UNICEF)</td>
<td>2,858,700 USD (300,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project of Capacity Development for National Single Window and Customs Modernization by Introducing Automated Cargo Clearance System in Myanmar</td>
<td>13,359,658–17,171,258 USD (1,402,000,000–1,802,000,000 yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Budget (USD)</td>
<td>Budget (yen)</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>--------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>The Project for Improving Loikaw General Hospital in Kayah State</td>
<td>18,533,905</td>
<td>(1,945,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>Project for Small-scale Aquaculture Extension for Promotion of Livelihood of Rural Communities in Central Dry Zone</td>
<td>13,359,658–181,146,290</td>
<td>(1,402,000,000–1,901,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>The Programme for Assistance to Displaced Persons in South-East of Myanmar, Rakhine, Kachin and Northern Shan States (through UNHCR)</td>
<td>2,858,700</td>
<td>(300,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>The Programme for Emergency Food Assistance to Displaced Persons in Rakhine, Kachin and Northern Shan States (through WFP)</td>
<td>8,528,000</td>
<td>(1,000,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>The Project for Installation of Operation Control Center System and Safety Equipment</td>
<td>38,116,000</td>
<td>(4,000,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>Grant Assistance for Japanese NGO Projects (23 projects)</td>
<td>18,400,499</td>
<td>(1,931,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>Grant Assistance for Underprivileged Farmers (1 project)</td>
<td>2,191,670</td>
<td>(230,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>The Project for Human Resource Development Scholarship (4 projects)</td>
<td>2,525,185</td>
<td>(265,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>Grassroots Human Security Projects (53 projects)</td>
<td>6,538,894</td>
<td>(686,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Project for Construction of New Thakata Bridge</td>
<td>41,080,704</td>
<td>(4,216,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>The Project for National Single Window and Customs Modernization by Introducing Automated Cargo Clearance System</td>
<td>38,934,420</td>
<td>(3,990,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>The Project for Improvement of College Education</td>
<td>24,486,672</td>
<td>(2,513,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>The Project for Improving Lashio General Hospital in Shan State</td>
<td>14,734,580</td>
<td>(1,510,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>The Project for Electrification of Rural Villages</td>
<td>9,685,536</td>
<td>(994,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td>The Project for Human Resource Development Scholarships</td>
<td>4,566,744</td>
<td>(468,000,000 yen)</td>
<td></td>
</tr>
</tbody>
</table>

The United States and Japan: Assisting Myanmar’s Development
<table>
<thead>
<tr>
<th>Year</th>
<th>Loan Aid</th>
<th>Grant Aid</th>
<th>Technical Cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Developing a National Power Transmission Network</td>
<td>334,500,000 USD (41,120,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improving the Myanmar Portion of the East-West Economic Corridor</td>
<td>275,550,000 USD (33,870,000,000 yen)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Project to Upgrade the Circular Railway Line in Yangon</td>
<td>202,300,000 USD (24,870,000,000 yen)</td>
<td></td>
</tr>
</tbody>
</table>
### Annex 5

**Summary of Status of U.S. Sanctions on Burma**

<table>
<thead>
<tr>
<th>Type of Sanction</th>
<th>Summary of Sanction</th>
<th>Date of Most recent waiver (if applicable)</th>
<th>Summary of Waiver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visa Ban</td>
<td>Prohibition on issuing visas to selected Burmese officials</td>
<td>September 19th, 2012</td>
<td>Lifts visa ban for President Thein Sein and Speaker Shwe Mann</td>
</tr>
<tr>
<td>Restrictions on Financial Services</td>
<td>Limitation on the export or re-export of financial services to Burma</td>
<td>July 11th, 2012</td>
<td>Allows the provision of financial services to Burma</td>
</tr>
<tr>
<td>“Frozen Assets”</td>
<td>Prohibition on the transfer of utilization of assets of selected Burmese officials held by U.S. financial institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Import Ban</td>
<td>Ban on the import of products of Burmese origin</td>
<td>November 16th, 2012</td>
<td>Applies to all goods of Burmese origin except those prohibited by section 3(A) of the Burmese Freedom and Democracy Act of 2003 and items prohibited by E.O. 13448, E.O. 13464 and E.O. 13619.</td>
</tr>
<tr>
<td>Specific Import Ban</td>
<td>Ban on the import of selected goods contain materials from Burma, and products made by certain Burmese companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bilateral and Multilateral Assistance Ban</td>
<td>Limitations of the provision of certain types of assistance to Burma by the U.S. government and international financial institutions (IFIs)</td>
<td>September 14, 2012 and October 12, 2012</td>
<td>Allows certain U.S. assistance previously prohibited due to Burma’s poor performance on illegal drug trafficking and production; Allows the United States to support IFI assistance to Burma</td>
</tr>
</tbody>
</table>

# Annex 6

## Sasakawa Peace Foundation

### Japan Assistance to Myanmar

<table>
<thead>
<tr>
<th>Period</th>
<th>Domain</th>
<th>Project Name</th>
<th>Type</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2002-2004</td>
<td>Human Resource Development</td>
<td>Human Resource Development in Myanmar</td>
<td>Self-Operated</td>
<td>SPE, The Myanmar Times (Myanmar), Institute of Asian Studies, Chulalongkorn University (Thailand), Kyung Hee University (Korea), The Malaysian Institute of Economic Research (MIER) (Malaysia), Civil Service Selection and Training Board (CSSTB) (Myanmar)</td>
</tr>
<tr>
<td>FY2006-2008</td>
<td>Capacity Building</td>
<td>Capacity Building in Myanmar in Preparation for ASEAN Summit — Assistance to Myanmar for hosting ASEAN Summit</td>
<td>Self-Operated</td>
<td>SPE, Myanmar Institute of Strategic and International Studies (Myanmar)</td>
</tr>
<tr>
<td>FY2005</td>
<td>Human Resource Development</td>
<td></td>
<td>Self-Operated</td>
<td>SPE, Information and Resource Center (Singapore), Myanmar Times (Myanmar)</td>
</tr>
<tr>
<td>Year</td>
<td>Type</td>
<td>Description</td>
<td>Funding Body</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>-----------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>FY2009-2011</td>
<td>Training</td>
<td>Training for Civil Servants in Myanmar</td>
<td>SPF, Civil Service Selection and Training Board (CSSTB), Myanmar</td>
<td></td>
</tr>
<tr>
<td>FY2009-2011</td>
<td>Capacity Building</td>
<td>Capacity Building for Young Researchers in Myanmar studies (Myanmar)</td>
<td>Myanmar Economic and Management Institute (Japan)</td>
<td></td>
</tr>
<tr>
<td>FY2012-2013</td>
<td>Capacity Building</td>
<td>Capacity Enhancement of Myanmar Diplomats toward ASEAN Chairmanship</td>
<td>SPF, ASEAN Affairs Department, Departments of MINISTRY OF FOREIGN AFFAIRS, Republic of the Union of Myanmar Diplomat, Inc., ASEAN Studies Centre</td>
<td></td>
</tr>
<tr>
<td>FY2012-2014</td>
<td>Capacity Building</td>
<td>Capacity Enhancement of Organizational Management in Myanmar</td>
<td>SPF, Union Civil Service Board (Myanmar), the Pacific Resource Exchange Center (Japan)</td>
<td></td>
</tr>
<tr>
<td>FY2013</td>
<td>Research</td>
<td>Basic Research on Global Human Resource Development in Myanmar</td>
<td>National University Corporation SHIGA University</td>
<td></td>
</tr>
<tr>
<td>FY2014</td>
<td>Capacity Building</td>
<td>Capacity Enhancement to Acquire Interpretation Method for the Aim of Introducing New Teaching Methods into Universities in Myanmar</td>
<td>SPF, Union Civil Service Board (Myanmar)</td>
<td></td>
</tr>
</tbody>
</table>

Grand Total of Budget: US$3,727,095 (¥372,090,426)

Source: Sasakawa Peace Foundation Japan
Annex 7
Nippon Foundation Assistance to Myanmar

The Nippon Foundation Group has been carrying out projects in Myanmar since 1976. Initial projects were concerned with development of human resources and treatment of leprosy patients through distribution of medicine. Over time, we have expanded our activities across a wide range of fields. Our current activities include health, education, and human resource development of government administrators and people with disabilities as well as support for conflict-affected communities.

Total Projects from 2012 (including projects in preparatory stage): 38 (US$53,173,700)
Total Projects implemented 1976–2011: 37 (US$19,812,870)

Projects from 2012

<table>
<thead>
<tr>
<th>Health</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Establishment of the Prosthetist-Orthotist Training School</td>
<td></td>
</tr>
<tr>
<td>2 Provision of Prosthetics and Orthotics Service in Yangon</td>
<td></td>
</tr>
<tr>
<td>3 Provision of Prosthetics and Orthotics Service in Mandalay</td>
<td></td>
</tr>
<tr>
<td>4 Implementation of Medical Services for Citizens Living in Remote Areas</td>
<td></td>
</tr>
<tr>
<td>5 Donation of Used Welfare Vehicles</td>
<td></td>
</tr>
<tr>
<td>6 Distribution of Traditional Medicine Boxes</td>
<td></td>
</tr>
<tr>
<td>7 Cultivation of Medicinal Plants</td>
<td></td>
</tr>
<tr>
<td>8 5th ASEAN Traditional Medicine Conference</td>
<td></td>
</tr>
<tr>
<td>9 Promotion of Health and Hygiene in School Communities</td>
<td></td>
</tr>
</tbody>
</table>

Disability

<p>| 10 Construction of an Educational Center for Children with Disabilities |   |
| 11 Leadership Training and Establishment of Self-help Groups for People with Disabilities |   |
| 12 Scholarship and Zero-interest Loan for Students with Disabilities   |   |</p>
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Preparation for the International Arts Festival for People with Disabilities</td>
</tr>
<tr>
<td>14</td>
<td>Support for Tertiary Education of Visually Impaired Persons</td>
</tr>
<tr>
<td>15</td>
<td>Training School for Medical Blind Massage</td>
</tr>
<tr>
<td>16</td>
<td>Establishment of an International Network of Secondary Education for the Deaf and Hard of Hearing in the ASEAN Region</td>
</tr>
<tr>
<td>17</td>
<td>Scholarship Program in Public Policy for Disabled Young Leaders</td>
</tr>
<tr>
<td>18</td>
<td>Establishment of Yangon Disability-Inclusive Business Incubation Center</td>
</tr>
<tr>
<td>19</td>
<td>Welfare Taxi Services for People with Disabilities</td>
</tr>
<tr>
<td></td>
<td>Human Resource Development</td>
</tr>
<tr>
<td>20</td>
<td>Regional Development through School Construction in Shan State</td>
</tr>
<tr>
<td>21</td>
<td>School Construction Project in Rakhine State</td>
</tr>
<tr>
<td>22</td>
<td>Regional Development through School Construction in Ayeyarwady Region</td>
</tr>
<tr>
<td>23</td>
<td>Training of Public Officials of State Governments</td>
</tr>
<tr>
<td>24</td>
<td>Capacity Enhancement of Myanmar Diplomats toward ASEAN Chairmanship</td>
</tr>
<tr>
<td>25</td>
<td>Capacity Enhancement of Myanmar Government Officials</td>
</tr>
<tr>
<td>26</td>
<td>Capacity Enhancement of Organizational Management in Myanmar</td>
</tr>
<tr>
<td>27</td>
<td>Exchange Program of Myanmar Parliamentarians</td>
</tr>
<tr>
<td>28</td>
<td>Dispatch of Japanese Language Instructors</td>
</tr>
<tr>
<td>29</td>
<td>Promoting Asian Women Social Entrepreneurship Network</td>
</tr>
<tr>
<td>30</td>
<td>Educational Comic Book Project in Myanmar</td>
</tr>
<tr>
<td>31</td>
<td>Dispatch of Skilled Volunteers</td>
</tr>
<tr>
<td>32</td>
<td>Japan-Myanmar Military Officials Exchange Program</td>
</tr>
<tr>
<td>33</td>
<td>Basic Research on Global Human Resource Development in Myanmar</td>
</tr>
<tr>
<td>34</td>
<td>Book Donation Program</td>
</tr>
<tr>
<td>35</td>
<td>Yanmar Cup — Myanmar National Team vs Cerezo Osaka The Nippon Foundation Charity Football Match</td>
</tr>
<tr>
<td></td>
<td>Support to Conflict Affected Communities</td>
</tr>
<tr>
<td>36</td>
<td>Delivery of Humanitarian Support (Food and Non-food Items) for Conflict Affected Communities (Phase 2)</td>
</tr>
<tr>
<td>37</td>
<td>Support for Operation of Mae Tao Clinic on Thai-Myanmar Border</td>
</tr>
<tr>
<td>38</td>
<td>Support for Mae Tao Clinic’s Fund-raising Activities in Japan</td>
</tr>
</tbody>
</table>
Annex 8

Agenda for Sasakawa USA Myanmar Conference

The United States and Japan: Assisting Myanmar’s Development

March 25, 2015, Washington, DC

Morning Keynote Address
Dennis Blair, Chairman and CEO, Sasakawa USA

Panel I: Socio-Economic Conditions in Myanmar
Chair: Daniel Bob, Senior Fellow and Director of Programs, Sasakawa USA
Presentation: Zaw Oo, Executive Director, Center for Development, Myanmar Development Resource Institute
Presentation: Toshihiro Kudo, Director-General, Research Department, Institute for Developing Economies
Presentation: Vikram Nehru, Senior Associate, Asia Program, Carnegie Endowment for International Peace

Panel II: Japanese and U.S. Assistance Programs in Myanmar
Chair: Donald Seekins, Professor of Southeast Asian Studies, Meio University
Presentation: U Set Aung, Deputy Governor, Central Bank of Myanmar
Presentation: Takehiro Yasui, Director, Myanmar Operations, JICA
Presentation: Jason Foley, Deputy Assistant Administrator for East Asia, USAID
Presentation: Yun Sun, Fellow, East Asia Program, Henry E. Stimson Center

Luncheon Keynote Address
Derek Mitchell, U.S. Ambassador to Myanmar
Chair: U Kyaw Myo Htet, Myanmar Ambassador to the United States

Panel III: Civil-Military Relations in Myanmar
Chair: Dennis Blair, Chairman and CEO, Sasakawa USA
Presentation:  Aung Myoe, Professor, Graduate School of International Relations, International University of Japan

Presentation:  Mary Callahan, Associate Professor, University of Washington

Presentation:  Noboru Yamaguchi, JGSDF (ret.), National Defense Academy of Japan

Panel IV: Democratization and Multi-Ethnic Issues
Chair:     David Steinberg, Visiting Scholar, Southeast Asia Studies Program Johns Hopkins

Presentation:  Priscilla Clapp, former Chief of Mission, U.S. Embassy Burma

Presentation:  Min Zaw Oo, Director of Cease Fire Negotiations and Implementation, Myanmar Peace Center

Presentation:  Frank Jannuzi, President and CEO, Mansfield Foundation

Afternoon Keynote Address
James Webb, Former U.S. Senator

Panel V: Next Steps for U.S.-Japan Cooperation in Myanmar
Chair:    Dennis Blair, Chairman and CEO, Sasakawa USA

Presentation:  Kanji Yamanouchi, Economic Minister, Embassy of Japan

Presentation:  David Steinberg, Visiting Scholar, Southeast Asia Studies Program, Johns Hopkins University

Presentation:  James Schoff, Senior Associate, Asia Program, Carnegie Endowment for International Peace
Annex 9  
Conference Participant and Author Biographies

Dennis Blair is Chairman and CEO of Sasakawa USA. He is a graduate of the U.S. Naval Academy, earned a master’s degree in history and languages from Oxford University as a Rhodes Scholar, and was a White House Fellow at the Department of Housing and Urban Development. He has been awarded four Defense Distinguished Service medals, three National Intelligence Distinguished Service medals, and decorations from the governments of Japan, Thailand, Korea, Australia, the Philippines, and Taiwan. During his 34-year Navy career, Blair served on guided missile destroyers in both the Atlantic and Pacific fleets and commanded the Kitty Hawk Battle Group. Ashore, he served as Director of the Joint Staff and held budget and policy positions on the National Security Council and several major Navy staffs. Prior to retiring from the Navy in 2002, Blair served as Commander in Chief of the U.S. Pacific Command, the largest of the combatant commands.

Daniel Bob is the Director of Programs and Senior Fellow at the Sasakawa Peace Foundation USA. Previously, he worked on the Senate Finance and House Foreign Affairs Committees handling Asia Pacific issues. He has also served as the CEO of a Washington- and Seoul-based firm providing advisory services on energy and educational projects, as Senior Advisor to the director of the agency overseeing the multi-trillion dollar U.S. secondary mortgage market and Senior Advisor at an international law firm. In addition, he was an International Affairs Fellow in Japan with the Council on Foreign Relations, and in 2008, worked as an advisor on Asian affairs for the Obama campaign. A member of the Council on Foreign Relations, Bob has also served as Visiting Scholar at Keio University and as Research Advisor for the Pudong Academy of Development in China. He holds a bachelor’s degree from Yale, a master’s degree from Harvard, and was a Fulbright Scholar in Fiji.

Mary P. Callahan is Associate Professor in the Henry M. Jackson School of International Studies at the University of Washington. Among her publications are: Making Enemies: War and State Building in Burma; Political Authority in Burma’s Ethnic Minority States: Devolution, Occupation and Coexistence; “The Generals Loosen Their Grip” in Journal of Democracy; and Ethnicity without Meaning, Data Without Context: The 2014 Census, Identity and Citizenship in Myanmar. Currently on leave from UW, Callahan has spent the last two years based in Yangon, Myanmar, where she consults on issues related to security sector reform, upcoming elections, and the peace process.
Priscilla A. Clapp is a retired Minister-Counselor in the U.S. Foreign Service. She currently serves as Senior Advisor to the Asia Society and the U.S. Institute of Peace. During her 30-year career with the U.S. Government, Ms. Clapp served as Chief of Mission and permanent Charge d’Affaires at the U.S. Embassy in Burma (1999-2002), Deputy Chief of Mission in the U.S. Embassy in South Africa (1993-96), Principal Deputy Assistant Secretary of State for Refugee Programs (1989-1993), Deputy Political Counselor in the U.S. Embassy in Moscow (1986-88), and Chief of Political-Military Affairs in the U.S. Embassy in Japan (1981-85). She also worked on the State Department’s Policy Planning Staff and with the U.S. Arms Control and Disarmament Agency. Prior to government service, Ms. Clapp spent ten years in foreign policy and arms control research with the MIT Center for International Studies and as a Research Associate at the Brookings Institution. Ms. Clapp is a frequent media commentator and the author of numerous publications on Burma and U.S. Burma policy.

Jason Foley currently serves as the Deputy Assistant Administrator in the Asia Bureau of the U.S. Agency for International Development (USAID), overseeing East Asia and the Pacific. Mr. Foley is a career member of the Senior Executive Service. Previously, Mr. Foley served as the Director of Strategic and Program Planning in the Bureau of Policy, Planning, and Learning. Mr. Foley has worked as the Budget Director for Immigration and Customs Enforcement, the Director of Strategic Planning for the State Department, and as a Peace Corps volunteer in Benin. Prior to his U.S. Government service, Mr. Foley was a senior manager for a consultancy firm where he focused on financial sector reform issues in East Asia. Mr. Foley earned a bachelor’s degree from the University of Michigan and a master’s degree in Foreign Service from Georgetown University.

Frank Jannuzi is President and CEO of the Mansfield Foundation. He previously served as Deputy Executive Director (Advocacy, Policy and Research) at Amnesty International, USA. There he shaped and promoted legislation and policies to advance universal human rights, protect individuals and communities at risk, and free prisoners of conscience. From 1997-2012, Mr. Jannuzi was Policy Director, East Asian and Pacific Affairs, for the U.S. Senate Foreign Relations Committee, where he advised Committee Chairmen Joseph Biden and John Kerry. During his tenure with the Committee he also was a Hitachi Fellow of the Council on Foreign Relations from 2006-2007, serving as a Visiting Lecturer at Keio University and as a Visiting Scholar at the Institute of International Policy Studies in Tokyo. Early in his career he served for nine years as an analyst in the U.S. Department of State’s Bureau of Intelligence and Research. Mr. Jannuzi holds a Bachelor of Arts degree from Yale University and Master in Public Policy degree from the John F. Kennedy School of Government, Harvard University.
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Satoru Kumagai is Chief Senior Researcher at Inter-disciplinary Studies Center and Director of the Economic Geography Studies Group in the Said Center. He holds degrees from Keio University and the London School of Economics and Political Science. He has published a number of articles on international trade and the Malaysian economy. He is also the founder of the Institute of Developing Economies’ Geographical Simulation Model (GSM).

U Kyaw Myo Htut presented his credentials as Ambassador to the United States from Myanmar on December 3, 2013. From 2011 until his present assignment, he was Ambassador to the United Kingdom and was also accredited as Ambassador to Sweden and Norway. He was transferred from the army to the foreign ministry in 2008, and served as Burma’s Deputy Permanent Representative to the United Nations Mission in Geneva, Switzerland. Prior to this, he served in his country’s military in 1981 and rose to the rank of Colonel. He graduated from the Myanmar Defense Services Academy with a master’s degree in defense studies in 2006.

Maung Aung Myoe is a Professor of International Relations at the International University of Japan (IUJ) and the Director of the International Relations Program in the Graduate School of International Relations at IUJ. He earned his Ph.D. in political science and international relations from Australian National University. His research interests are civil-military relations, regional security in Southeast Asia, and government and politics in Myanmar. He teaches security and strategy in international relations, foreign policy analysis, and Southeast Asian international relations. His recent publications include: In the Name of Pauk-Phaw: Myanmar’s China Policy since 1948; Building the Tatmadaw: Myanmar Armed Forces since 1948; “Myanmar’s Maritime Challenges and Priorities” in Maritime Challenges and Priorities in Asia; and
“The Soldier and the State: the Tatmadaw and Political Liberalization in Myanmar since 2011” in *South East Asia Research*.

**Min Zaw Oo** is currently the Director of Ceasefire Negotiations and Implementation at Myanmar Peace Centre (MPC). He facilitates ceasefire negotiations with 16 armed ethnic groups and is currently helping stakeholders negotiate a nationwide ceasefire agreement. Previously, he was the Director of Research at Democracy International’s (DI) election-strengthening project in Afghanistan. He also worked as Research Director to support the U.S. military’s human terrain system in Afghanistan and was an independent consultant to the Genocide Early Warning Project, which monitored high-risk countries around the world. Min Zaw Oo also contributed to *Counter Networks* and *Narratives Weekly*, publications for counter-terrorism officials under the Special Operation Command. He was a veteran pro-democracy activist in exile for 21 years before returning to Myanmar in 2012. He received a Ph.D. in Conflict Analysis and Resolution from George Mason University, holds a Master in Security Studies from Georgetown University, and an M.S. from George Mason University.

**Derek J. Mitchell** was confirmed as the U.S. Ambassador to the Republic of the Union of Burma on June 29, 2012 by the U.S. Senate. He arrived in Burma on July 11, 2012, and presented his credentials to President Thein Sein. From August 2011 to June 2012, Mitchell served as the first Special Representative and Policy Coordinator for Burma, with the rank of ambassador. Prior to this appointment, Mitchell served as Principal Deputy Assistant Secretary of Defense, Asian and Pacific Security Affairs, in the Office of the Secretary of Defense. In that capacity, he was responsible for overseeing the Defense Department’s security policy in Northeast, Southeast, South, and Central Asia. For his service, he received the Office of the Secretary of Defense Award for Distinguished Public Service. He has also served as Senior Fellow and Director of the Asia Division of the International Security Program at the Center for Strategic and International Studies (CSIS) and was Founding Director of the CSIS Southeast Asia Initiative.

**Vikram Nehru** is a Senior Associate in the Asia Program and Bakrie Chair in Southeast Asian Studies at the Carnegie Endowment for International Peace. From 1981 to 2011, Nehru served at the World Bank, including in a number of senior management positions. Most recently, he was Chief Economist and Director for Poverty Reduction, Economic Management, and Private and Financial Sector Development for East Asia and the Pacific. Previously, he directed the World Bank’s Economic Policy and Debt Department, where he was responsible for managing global programs for debt relief and for developing new tools and techniques for growth analytics, fiscal policy analysis, sub-national and regional development, and small-states devel-
James L. Schoff is a Senior Associate in the Carnegie Asia Program. His research focuses on U.S.-Japan relations and regional engagement, Japanese politics and security, and the private sector’s role in Japanese policymaking. He previously served as Senior Adviser for East Asia policy at the U.S. Office of the Secretary of Defense and as Director of Asia Pacific Studies at the Institute for Foreign Policy Analysis (IFPA). At the Department of Defense, Schoff was responsible for strategic planning and policy development for relations with Japan and the Republic of Korea. Prior to joining IFPA, Schoff served as Program Officer in charge of policy studies at the United States-Japan Foundation in New York. His publications include *What Myanmar Means for the U.S.-Japan Alliance* and *In Times of Crisis: U.S.-Japan Civil-Military Disaster Relief Coordination*.

Donald Seekins is Emeritus Professor at Meio University. Previously, he was a research professor at the Foreign Area Studies Department of The American University in Washington, DC. In 1988–1989, he was a Fulbright Lecturer at the University of the Ryukyus in Okinawa, Japan. During 1989–2010, he served as Professor of Political Science and Southeast Asian Studies at the University of the Ryukyus and Meio University, also in Okinawa. Since 1988, he has done extensive research and writing on politics and society in historical and contemporary Myanmar. His publications include *From 'Co-Prosperity' to 'Quiet Dialogue': Burma and Japan, 1940–2005* and *State and Society in Modern Rangoon*. He received his Ph.D. from the University of Chicago.

U Set Aung is a Deputy Governor of the Central Bank of Myanmar and the Chairman of the Thilawa Special Economic Zone’s Management Committee. Before holding his current position, he was a Deputy Minister at the Ministry of National Planning and Economic Development of Myanmar. He was also an Economic Advisor to the President of the Republic of the Union of Myanmar, a Founder and Director of the Myanmar Development Resource Institute (MDRI), and Secretary of the National Economic and Social Advisory Council (NESAC) of Myanmar. U Set Aung earned his bachelor’s degree and an MBA in Myanmar and subsequently completed two more master’s degrees in economics, banking, and finance; and in investment management in the United Kingdom. He has been involved in many international and regional research projects related to economics, social, and policy development in Myanmar, Vietnam, Cambodia, Laos, Thailand, Malaysia, Bangladesh, Sweden, and Japan. U Set Aung has also au-
thored numerous research papers in cooperation with international and regional academic and policy institutes.

**David Steinberg** is a specialist on Burma/Myanmar, the Korean peninsula, Southeast Asia and U.S. policy in Asia. He is Distinguished Professor of Asian Studies Emeritus at Georgetown University, and was Director of Asia Studies there for ten years. Previously he was a Representative of the Asia Foundation in Korea, Hong Kong, Burma, and Washington; Distinguished Professor of Korea Studies at Georgetown University; and President of the Mansfield Center for Pacific Affairs. Earlier, as a member of the Senior Foreign Service in the U.S. Agency for International Development (USAID), he was Director for Technical Assistance in Asia and the Middle East and Director for Philippines, Thailand, and Burma Affairs. He also spent three years in Thailand with the USAID Regional Development Office. He is the author of fourteen books and monographs, over 100 articles and book chapters and some 300 op-eds. Professor Steinberg was educated at Dartmouth College, Lingnan University (Canton, China), Harvard University, and the School of Oriental and African Studies at University of London.

**Yun Sun** is a Fellow with the East Asia Program at the Henry L. Stimson Center and a Non-Resident Fellow of the Brookings Institution. Her expertise is in Chinese foreign policy, U.S.-China relations and China’s relations with neighboring countries and authoritarian regimes. From 2011 to early 2014, she was a Visiting Fellow at the Brookings Institution, jointly appointed by the Foreign Policy Program and the Global Development Program where she focused on the Chinese national security decision-making processes and China-Africa relations. From 2008 to 2011, she was the China Analyst for International Crisis Group based in Beijing, specializing on China’s foreign policy towards conflict countries and the developing world. Prior to ICG, she worked on U.S.-Asia relations in Washington for five years. Yun earned her Master in International Policy and Practice from George Washington University, and a master’s in Asia Pacific studies and a bachelor’s in international relations from Foreign Affairs College in Beijing.

**Jim Webb**, former Senator from Virginia, has been a combat Marine, a Counsel in Congress, an Assistant Secretary of Defense and Secretary of the Navy, an Emmy-award winning journalist, a film-maker, and the author of ten books. As Chairman of the Foreign Relations Committee’s Asia Pacific Subcommittee, he was a leading voice in calling for the United States to re-engage in East Asia. Webb graduated from the Naval Academy in 1968 and served as a Rifle Platoon and Company Commander in Vietnam, earning the Navy Cross, the Silver Star Medal, two Bronze Star Medals, and two Purple Hearts. He graduated from the Georgetown University Law Center in 1975. In 1984, he was appointed Assistant Secretary of Defense for Reserve Affairs, and in 1987 became Secretary of the Navy. Mr. Webb received an Emmy Award for his
PBS coverage of the U.S. Marines in Beirut in 1983, and in 2004 was embedded with the U.S. military in Afghanistan. A screenwriter and producer, Mr. Webb has also written ten books, including *Born Fighting*, a sweeping history of the Scots–Irish culture, and *Fields of Fire*, widely recognized as the classic novel of the Vietnam War.

**Noboru Yamaguchi** is a retired Lieutenant General in the Japanese Ground Self-Defense Forces (GSDF), a graduate of the National Defense Academy of Japan (NDA), and formerly an army aviator. He received his master’s degree from the Fletcher School of Law and Diplomacy at Tufts University in 1988 and was a National Security Fellow at John M. Olin Institute for Strategic Studies at Harvard University from 1991–1992. Yamaguchi’s assignments have included Senior Defense Attaché at the Japanese Embassy in the United States (1999-2001), Deputy Commandant of GSDF Aviation School, Vice President of the National Institute for Defense Studies and Commanding General of the GSDF Research and Development Command. After retiring from active duty in December 2008, Yamaguchi joined the NDA in April 2009 and taught strategy and military history until March 2015. After the East Japan Great Earthquake, he served in the Prime Minister’s Office as Special Adviser to the Cabinet on Crisis Management from March to September 2011.

**Kanji Yamanouchi**, Minister for Economic Affairs at the Embassy of Japan in the United States, is an accomplished diplomat who has worked with world leaders ranging from Burma’s Aung San Suu Kyi to U.S. President Barack Obama. Upon completing various overseas postings and working as a soldier in the U.S.-Japan trade wars, he returned to Tokyo. In 2008, he became the Director of the First North American Division and again found himself deeply involved in U.S. politics at an historic time—the election of President Barack Obama. As the head of the primary agency in charge of U.S.-Japan relations, Yamanouchi played a critical role in developing sound policies to help maintain the strong alliance between the two nations. He graduated from Tokyo University of Foreign Studies and went on to receive a master’s degree in political science from Wesleyan University.

**Takehiro Yasui** is Director of Southeast Asia Division 4 at the Japan International Cooperation Agency (JICA) where he is responsible for Japanese official development assistance (ODA) operations for Myanmar, supporting infrastructure development, poverty reduction, and capacity development through soft loans, grants, and technical cooperation schemes. Prior to his present position, he served as Director of Private Sector Investment Finance at JICA. Yasui was also Deputy Representative of the JICA Indonesia Office and Deputy Director for Japanese ODA to Vietnam with the Japan Bank of International Cooperation (JBIC).
**Zaw Oo** is Economic Advisor to the President U Thein Sein of Republic of the Union of Myanmar. He is also Executive Director of the Centre for Economic and Social Development of the Myanmar Resource Development Institute, an independent think tank dedicated to the inclusive and sustainable development of Myanmar. Previously, he was a Lecturer at Chiang Mai University. Zaw Oo is also a Member of the National Economic and Social Advisory Council of the Office of the President, and was recently appointed as Member of the Task Force on Public Service Performance Appraisal. He contributed to the development of the Framework of Economic and Social Reforms that guided a comprehensive set of reforms and development cooperation for 2012–15 in Myanmar as well as the country’s successful conclusion of a Paris Club agreement in January 2013. He holds graduate degrees from Columbia University and American University in international development, finance and banking, and political economy. Zaw Oo is a co-author of *Assessing Cease-Fire Accords in Burma* and *Economic Development of Burma: A Vision and A Strategy*, and is a regular contributor to many scholarly journals and news media.
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