Inside the military’s plan to retain dominance in the new Myanmar. Is the U.S. too quickly embracing the generals?

The next campaign: cementing power

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YOUNG ELITE: Cadets at the Defense Services Academy now have laptops and internet access, but not human rights training.

REUTERS/DAMIR SAGOLJ
Aung Thaw was a teenager when he joined Myanmar’s armed forces, which seized power in 1962 and led a promising Asian nation into half a century of poverty, isolation and fear.

Now 59, he has a new mission as deputy minister of defense: explaining why the military intends to retain a dominant role in a fragile new era of democratic reform.

In a two-hour interview with Reuters, the first by a leader of the armed forces with the international media since Myanmar’s historic reforms began last year, Aung Thaw depicted the military as both architect and guardian of his country’s embryonic democracy.

That’s why the military has no plans to give up its presence in parliament, he said, where its unelected delegates occupy a quarter of the seats. Nor will the military apologize for its violent suppressions of pro-democracy protests in 1988 and 2007 that led to crippling Western sanctions.

“The government is leading the democratization,” said Aung Thaw. “The Defense Services are pro-actively participating in the process.”

The military will also retain a leading role in Myanmar’s economy through its holding companies, according to the firms, which are among the country’s biggest commercial enterprises.

Aung Thaw’s comments came ahead of Barack Obama’s visit to Myanmar on Nov. 19 – the first by a serving U.S. president to the country also known as Burma.

The generals’ reluctance to loosen their grip on power and acknowledge past abuses raises fundamental questions for this strategic country at Asia’s crossroads: Can Myanmar be reborn after decades of dictatorship without the military itself also undergoing profound change? And is the United States too quickly embracing the generals?

“The government and the ethnic nationalities need to work together urgently to find a path to lasting peace that addresses minority rights, deals with differences through dialogue not violence, heals the wounds of the past, and carries reforms forward,” she wrote.

Aung Din, executive director of the U.S. Campaign for Burma, an advocacy group, also urged Obama to meet with “his real counterpart” – meaning Vice Senior General Min Aung Hlaing, Myanmar’s commander-in-chief.

Myanmar’s emergence from authoritarianism has been compared to the Arab Spring, but the trigger wasn’t street protests. The opening was stage-managed by retired generals such as Thein Sein, whose dramatic reforms cleared the way for an engagement with the West and a suspension in sanctions. A government now dominated by former generals has begun repairing a dysfunctional economy with foreign expertise and investment.

Since taking power in March 2011, Thein Sein’s quasi-civilian government has relaxed censorship, allowed street protests and held a by-election that put Suu Kyi into parliament. In return, the West has suspended most sanctions, while Japan...
has promised up to $21 billion in aid and investment. Foreign investors are pouring into one of the world’s last frontier markets.

The military, however, has remained practically a law unto itself, its power and privileges enshrined in a 2008 constitution drafted by the former junta. Fears persist that hardliners may emerge to stall or roll back the reforms.

The generals have long insisted the reforms were the culmination of their “roadmap to democracy” announced nearly a decade ago. Diplomats here cite other pressures, including fears of economic collapse and further popular unrest, growing unease over China’s dominance, and a desire to shrug off Myanmar’s pariah status in an increasingly connected Southeast Asia.

The military is showing some signs of change. Deadly sectarian violence in Rakhine State in October was a major test for government troops, who showed restraint in policing the unrest between ethnic Rakhine Buddhists and Rohingya Muslims.

Ethnic insurgencies rage elsewhere along Myanmar’s borderlands, where battle-hardened soldiers have committed their worst abuses and, in northern Kachin State, commit them still, say human rights groups

Myanmar’s army is called the Tatmadaw, or “Royal Force,” a phrase evoking the age of Burmese warrior kings. Its modern version was founded by General Aung San, the independence hero and father of Aung San Suu Kyi, who led his troops against both British and Japanese occupiers.

Respect for the Tatmadaw began to fade in 1962, when the late dictator General Ne Win seized power and ushered in the catastrophic “Burmese Way to Socialism.” A nationwide pro-democracy uprising that began in 1988 was so brutally repressed it scarred the nation’s psyche. Thousands were killed or injured when troops opened fire on unarmed protesters. Hundreds more were jailed, including Suu Kyi, who spent 15 of the next 21 years under house arrest.

The savagery provoked global outrage and led the United States and Europe to impose sanctions. Some military officers remain on visa blacklists in Western countries.

In the interview, deputy defense minister Aung Thaw described 1988 as a “very, very sad memory for us.” Military intervention was necessary to halt nationwide anarchy that threatened to “forever” change Myanmar’s borders, he said. “In 1988, the reality is the whole country was in a chaotic situation. Everybody suffered, including our armed forces.”

The military was “the only strong institution left in that chaotic situation to maintain law and order,” he said. “At the time, we had no other option. We tried to restore law and order to protect the civilian population.”

And the population was grateful, he insists. “If you were in this country at that defining moment, you would hear (this) sound”, he said, emitting an audible sigh of relief. “Because everybody felt insecure, even in their own homes.”

Kyaw Min Yu recalls it differently. Better known as Ko (“Brother”) Jimmy, he was protesting with other students in March 1988 by Inya Lake in the main city of Yangon when security forces attacked. Scores of students were shot dead or drowned. Later, he said, he saw a soldier stab a schoolgirl with a bayonet.

“I’ll never understand why they were so cruel to us students, who were about the same age as their sons and daughters,” said Ko Jimmy, who spent 20 years as a political prisoner and is today a leading political activist.

Shaken by the 1988 protests in the cities, and embroiled in conflict with ethnic insurgent groups in border regions, the
The military’s telling monument to itself

Colossal and largely deserted, the Defense Services Museum is a lavish monument to Myanmar’s military blasted from the hills of the capital, Naypyitaw.

The museum overlooks an enormous fountain so expensive to run it is only switched on for VIP visits. The building is so gargantuan not even Southeast Asia’s second-largest standing army can find enough exhibits to fill it, or summon enough electricity for lights and air-conditioning.

But its empty hallways and soaring exhibition rooms offer a glimpse into how the Tatmadaw, or “Royal Force”, wants to be regarded in reform-era Myanmar.

One of the museum’s biggest sections dedicates 11 panels to “Achievements of the Tatmadaw.” Photographs and paintings show the construction of bridges, ferries, buildings, hydro-dams, paved roads, satellite towers and oil rigs. Uniformed soldiers lay railway tracks. Generals inspect fields.

Several panels trumpet military assistance after Cyclone Nargis killed at least 130,000 people in May 2008. That relief effort, however, wasn’t the military’s finest hour. Critics say it failed to adequately warn people of the impending catastrophe, which potentially could have saved lives. When government aid was slow to arrive, the international community considered invoking the U.N.’s “responsibility to protect” principle to provide humanitarian relief by force. When a grassroots movement stepped in and began delivering aid to the needy, the junta jailed many of the volunteers.

Opened in March 2012, just two weeks before a landslide by-election victory by pro-democracy icon Aung San Suu Kyi and her National League for Democracy party, the museum is also a tribute to former dictator Than Shwe. He has disappeared from public life amid rumors of serious illness, but appears in photos throughout the museum.

His portrait is prominently displayed in the entrance hall beside those of two dead generals: independence hero Aung San, Suu Kyi’s father and the founder of the Myanmar army; and Ne Win, who seized power in 1962 but died under a house arrest ordered by Than Shwe.

The former junta governed opaquely, and secrecy surrounds it still.

Asked about media reports that Than Shwe is sick or even dead, Deputy Defense Minister Aung Thaw shrugged. “My answer is: I really don’t know.”
ing forced labor, killings, rape and torture by the Myanmar military, the New York-based Human Rights Watch reported in June.

Aung Thaw said government troops were exercising “maximum restraint” in Kachin State, despite attacks from the rebel Kachin Independence Army. “It is our duty to protect the civilian population in that area,” he said.

The military faces no institutions powerful enough to compel it to account for its past history. The 2008 constitution, drafted by the former junta, gives soldiers immunity from civilian prosecution and indemnifies former junta members. It also gives the military autonomy over its own affairs and sweeping powers in civilian life.

The constitution reserves a quarter of the seats in Myanmar’s upper and lower houses for officers, as well as three important cabinet posts – the ministries of defense, home affairs and border affairs – and one of Myanmar’s two vice-president positions.

Serving or former officers also dominate key civilian institutions, including a national security council that can assume power in an ill-defined state of emergency. Myanmar’s commander-in-chief is not a popularly elected president or prime minister. The commander-in-chief sits in the War Office, a vast complex of offices, mansions and bunkers in the newly built capital of Naypyitaw where, said Aung Thaw, journalists are forbidden to go for national security reasons.

As long as required and necessary, Defense Services will be in parliament.

Aung Thaw
Deputy Defence Minister

“This helps explain why the Defense Ministry, which in theory subjects the military to civilian control, is half-deserted. The commander-in-chief sits in the War Office, a vast complex of offices, mansions and bunkers in the newly built capital of Naypyitaw where, said Aung Thaw, journalists are forbidden to go for national security reasons.

Aung Thaw nonetheless contended the military is “under civilian control.” He noted that the commander-in-chief must be proposed and approved by a civilian body: the National Defense and Security Council, a presidential advisory group resembling the White House’s National Security Council. But the NDSC is only nominally civilian.
Five of its 11 members are serving military officers; another five are ex-officers, including its chairman, President Thein Sein.

While parliament can reduce or increase the defense budget, it cannot audit it, and has no control over the military’s vast off-budget financial holdings.

Amending the constitution to remove the military’s reserve of seats - a major goal for the Suu Kyi-led opposition - requires more than three-quarters support of parliament, which would have to include at least some military delegates.

It seems an almost impossible task. The delegates, mostly mid-ranking officers, tend to vote as a bloc on issues affecting the armed forces, suggesting they are following orders from superiors, the opposition says.

Not so, said Aung Thaw. “This is democracy. They are there. They decide.” When they do vote as a bloc, he said, it is only because “our thinking is very similar.” The military delegates “are there to safeguard the constitution,” Aung Thaw said. “As long as required and necessary, Defense Services will be in the parliament.”

The military’s influence on the economy is equally profound. It is a major player in many industries through two vast holding companies: Myanmar Economic Holdings Ltd (MEHL) and the Myanmar Economic Corporation (MEC).

Both are blacklisted by the U.S. Treasury, which means American companies are banned from doing business with them. But they remain deeply involved in gem trading, banking, tourism, breweries, property, transportation and construction. They have ties to a coterie of businessmen who were cronies of the old junta, and their finances remain a state secret.

MEHL, founded in 1990, has been a reliable source of off-budget funds for the military. It enjoys unrivaled access to import permits and monopolies through a web of 38 wholly-owned subsidiaries and nine joint ventures, staffed by 14,000 workers. For years, ex-dictator Than Shwe controlled the profits. Some went to special projects, or bought the loyalty of retired officers, said Sean Turnell, an expert on the Myanmar economy at Macquarie University, Australia. Much of it went to pensions or otherwise vanished.
Today, with foreign investors descending on Myanmar, MEHL is changing, the company says. In its first public statements to Western media since reforms began, MEHL told Reuters it has no plan to expand, echoing government assurances it will retreat from the economy as private investors assert themselves.

“MEHL has not sold or bought any enterprises this year,” it said in a written reply to questions. “It does not have any detailed talks with or coordination with anybody.”

Last year, MEHL gave up lucrative auto-import licenses and ended a monopoly in the edible-oils industry. It said it has begun to pay taxes. “Maybe in future they have to behave just like an ordinary company,” said Soe Thein, a minister in the president’s office and former naval commander-in-chief.

Richard Horsey, a researcher for the International Crisis Group and a former U.N. official who maintains senior-level contacts, said he expects MEHL and other military holdings to steadily lose influence. As foreign investors arrive, the economy opens up and competition grows, the holding companies could even start to lose money.

“It is clear it (MEHL) is no longer the untouchable entity it once was,” he said. For a retreating enterprise, however, MEHL is very active. It plans to build an oil refinery near the Dawei deep-sea port, one of Myanmar’s most ambitious projects, and one Japan is expected to underwrite.

In northwest Sagaing region, MEHL is the biggest partner in the country’s largest mining project, a copper deposit in Monywa that has stirred the most substantial protests since Myanmar emerged last year from isolation.

As many as 10,000 villagers have confronted authorities near the mine, claiming unlawful seizure of thousands of acres of land to make way for a $1 billion expansion. China North Industries Corp, a leading Chinese weapons manufacturer, signed a pact with the government of Myanmar in June 2010 to develop the mine after Canada’s Ivanhoe Mines Ltd pulled out in 2007. MEHL emerged with the largest share.

“They all know we gave money for their land. They know they have to give up their land,” said Myint Aung, chief representative for MEHL at the mine. “This is a national project. It is in the interest of the country and of the region.”

Farmers acknowledged they received compensation but believed it was for the destruction of crops during the project’s construction, not to buy their land.

MEHL also occupies the 73-year-old former central bank headquarters, a neoclassical building at the centre of the economy since British colonial rule. Japanese forces printed currency from here in World War Two. In 1952, Myanmar’s first kyat currency notes were issued here.

Today, its rows of tellers look hardly changed from 1993, when MEHL’s Myawaddy Bank moved in.

“It has plans to expand businesses when it gets the permission from the central bank,” MEHL said of Myawaddy Bank in its statement. MEHL disclosed the bank’s assets for the first time — authorized capital of 50 billion kyat ($56 million) and paid-up capital of 44 billion kyat ($50 million). It runs 20 branches nationwide.

The military’s other industrial arm, the Myanmar Economic Corp (MEC), is also recalibrating. MEC, which operates 37 factories with about 10,000 workers, says it is talking to Asian and Western companies about partnerships.

For the military itself, there is no shortage of money. A law passed in 2011 allows the commander-in-chief to access a “special fund” for unspecified defense and security
expenses. It requires a request to the president but escapes parliamentary oversight.

The military already gets about 14 percent of the 13.04 trillion kyat ($15.3 billion) national budget.

The town of Pyin Oo Lwin on the Shan Plateau, about 40 miles (70 km) northeast of the city of Mandalay, offers a glimpse into the military's struggle to adapt to a more democratic era.

The junta groomed officers here at its Defense Services Academy. (Motto: “The Triumphant Elites of the Future”). Its buildings date back to the early 1900s when Pyin Oo Lwin was a British colonial hill station.

On streets teeming with saffron-robed monks and women in sarongs, the DSAs' cadets stand out. They wear maroon berets, dark-green uniforms and thick black belts. Most students must buy their own stripes, uniforms and Chinese-made boots that wear out quickly. “The shoes are horrible,” said an officer who teaches at the academy. “Nobody likes the shoes.”

The academy is changing, but slowly. Its annual intake of cadets has halved to about 1,000, the DSA said. In the past, cadets had little access to the outside world, said the officer, who spoke on condition of anonymity. Mobile phones, the Internet and personal computers were banned. Today, cadets can surf the web and bring their own laptops (some have iPads). Mobile phones remain forbidden.

The academy also ended some practices that would qualify as abusive, the officer said. Previously, vacation requests were granted on condition the cadets recruit new soldiers while on leave. That included the homeless and minors. Since April, cadets are no longer required to forcibly recruit, he said.

Deputy Defense Minister Aung Thaw said the military faces “very serious allegations” about its use of child soldiers and forced labour. The Defence Ministry pledged in June to halt the recruitment of minors and release those in service. On Sept. 3, the military discharged 42 underage recruits at a Yangon ceremony attended by U.N. and international aid agencies. Activists say many child recruits remain in military service.

Since 2009, 20 lieutenant colonels and over 1,700 adjutant officers have taken a four-day course designed by UNICEF to prevent underage recruitment, the U.N. child-protection agency said. It includes sessions on human rights and international humanitarian law.

The International Labour Organization is training the military about the legal implications of forced labour. This includes the well-documented practice of dragooning villagers to carry ammunition or, in some cases, lead a path through mine-fields. “Now we are cooperating fully with ILO and UNICEF,” Deputy Defense Minister Aung Thaw said.

Even so, human-rights training is not on the curriculum at the academy, the teaching officer said.

Inside the academy’s musty walls, where typewriters can be heard clacking away, requests to interview cadets and soldiers were turned down. In another remnant of Myanmar’s recent past, plainclothes agents trailed reporters until they had left town.

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