

# Myanmar's Interrupted Transition: The Democratic Instinct Survives

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Myanmar's democratic transition was interrupted by the 2021 coup. Ten years of progress and reform were reversed, returning the country to military dictatorship. Yet the transition has not completely failed. Rather, the coup pushed democratic actors, norms and behavior outside Myanmar's formal political institutions and processes. These actors have been re-constituted in a broad-based resistance to authoritarian governance, aspiring to civilian rule within a new federal constitution. The changes are transformational. They occur as escalating civil conflict, social resistance and international isolation are eroding the military's traditional sources of power and legitimacy.

## Brief Points

- Myanmar's 2020 election results signaled an epistemic shift in Myanmar society, favoring a democratic system and rejecting a political role for the military.
- A new multi-ethnic political and military alliance has emerged since the 2021 coup. The alliance poses a credible challenge to the military's dominance.
- As a result, the military's ability to control Myanmar's political and economic affairs appears to be declining.
- The opposition is developing an alternative democratic governing structure that may provide a pathway out of the cycle of authoritarian rule and conflict.
- Unity within the opposition is fragile, and it currently lacks the strength needed to overcome the military's advantages derived from controlling state institutions and resources.
- International support should focus on actions that promote opposition unity while focusing on critical regime vulnerabilities, especially constraining access to arms and economic resources that are critical to the military's war effort.

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## Myanmar's Hybrid Transition

Understanding the current phase of conflict in Myanmar begins with the construction of military power in the 2011 transition. When the transition occurred, it was through the political, constitutional and institutional arrangements determined by the Myanmar military and developed over a 20-year period prior to 2011. Aspects of governance were devolved to a quasi-civilian authority, led by the military-created Union Solidarity and Development Party (USDP). Under the USDP, limited political reforms and an ambitious peace process were initiated. However, the military's preferred model of the State remained intact, preserving its political authority, legal immunities, economic interests, autonomy from civilian control and oversight, and its exclusive authority over security matters.

Liberal democracy, therefore, was never the military's intended destination. Rather, the transition produced a hybrid polity, designed and robustly defended by the military from 2011 to 2021. Working behind the ostensible legitimacy of civilian rule, the military strengthened its position in critical interest areas of political, military and economic power, while also improving its international legitimacy. Table 1 summarises each aspect of power that the military strengthened or had diminished during the transition.

The military's position deteriorated in one critical interest area: access to elected political office. The military retained its constitutionally-defined authority and "guardian" role over politics, including to resist constitutional reforms that might dilute its power. However, the military's proxy political party, the USDP, was unable to win office within a competitive electoral system. After the USDP's initial (and contested) electoral success in 2010, the USDP's political position eroded under overwhelming electoral victories by the National League for Democracy (NLD), in 2015 and 2020.

As a result, the military had to rely on the 25 percent of unelected members of the parliament who, in accordance with the constitution, are directly appointed by the Commander-in-Chief. The election results signalled an epistemic shift in Myanmar society, favouring the deepening of democratic reforms within a new federal structure – a trend that gained force over the 10-year reform period of civilian governance.

## The Coup a Sign of Weakness

The 2021 coup was an act of weakness, staged by an institution that perceived itself under threat. Driving the military's decision was its inability to consolidate power in competitive electoral politics. After the USDP's two decisive electoral defeats, the military concluded that its path to future electoral success was closed. Fearing loss of control over the political system, the military first worked to annul the November 2020 election results, alleging voter fraud. Failing in these efforts, the military (re-) took power by force, moving Myanmar back to direct military rule. Rather than consolidating the military's position, the coup has accelerated an erosion of the military's political, economic and security power.

## Reconfiguring Power in Myanmar

Understanding the emerging Myanmar context requires analysis of how power is being reconfigured between the military and opposition actors, in relative and absolute terms.

### Political power

**The military does not have effective control of Myanmar.** As a veto holding stakeholder in the USDP and NLD-led governments, the military benefited from the legitimacy of a quasi-civilian governance while retaining the core of its institutional power. However, two years after the coup the military now lacks that legitimacy as well as the capacity, resources and physical control over territory to govern Myanmar. The military is unable to deliver the basic goods and services normally associated with a state, and to stabilize the security situation.<sup>1</sup>

A new and transformational opposition alliance is responsible for this decline in the military's control of Myanmar. Since the birth of the democracy movement and the student uprising in 1988, political opposition to military rule has been led by the Bamar-majority NLD, while the ethnic minority communities of Myanmar's highland periphery have acted through their own organizations. By violently suppressing opposition to the 2021 coup, the military created the enabling conditions for a new opposition movement, based within a political alliance between Bamar and ethnic minority opposition actors, and others in the vibrant civil society that emerged in Myanmar after 2011. Critically, this new alignment of

opposition actors separates the military from its traditional ethnic and geographical base of support among Bamar populations in the lowlands.

A National Unity Consultative Council (NUCC) emerged first, comprised of the NLD and various sectors of civil society and ethnic organizations that control territory. The NUCC endorsed a parallel state administration – the National Unity Government (NUG) – formed in April 2021 by the Committee Representing Pyidaungsu Hluttaw (CRPH), which was comprised of lawmakers who won seats in the 2020 general elections. The NUG is structured as a functioning government, with 17 ministries and an executive branch.<sup>2</sup>

The NUCC and the NUG are politically fragile, lack the resources and institutional capacity to govern, and to lead an armed resistance in their areas of influence or control. However, opposition entities have *de facto* control of a large part of Myanmar with high levels of popular support and influence. They are developing a governing agenda, financial resources and delivering some basic public services at the local level.

In this way, the NUCC/NUG alliance is positioning itself as a national political alternative, capable of leading a future transition from military rule and avoiding a political vacuum during the critical transition period. While inter-ethnic negotiations on key issues remain difficult, the NUCC has been able to agree on a broad vision for Myanmar's political future, endorsed and published in the Federal Democracy Charter (April 2021). The NUG is translating that vision into a governing agenda.

### Military power

**The opposition presents a credible military challenge.** The NUG formed a People's Defense Force (PDFs) as its armed wing, on 5 May 2021.<sup>3</sup> The PDFs comprise multiple and localised units that operate autonomously of the NUG. However, they generally act in solidarity with the NUG's political objectives and strategy, and largely abiding by its Code of Conduct. The NUG provides limited financial or material support to the PDFs, but some of the PDFs and supporting militias have links with established Ethnic Armed Organizations, with some receiving sanctuary in EAO areas of control, training and material support.

Types of Power	Summary
<b>(-) Political Power</b>	The military sustained its constitutionally defined guardianship authority over Myanmar's political system. However, the military was unable to win office through a competitive electoral process diminishing its access to political power and influence.
<b>(+) Military Power</b>	The transition allowed the military to expand, re-equip and modernise its tactics. With these advantages, the military contained Myanmar's Ethnic Armed Organizations (EAOs), maintained the status quo in ethnic conflicts, and exerted decisive influence over post-2012 ceasefire and peace negotiations.
<b>(+) Economic Power</b>	The military expanded its network of relationships and ownership within state-owned enterprises and private companies, helping to finance its modernisation and operations. Independent financing insulated the military from accountability, which normally occurs with civilian oversight of state budgets. <sup>4</sup>
<b>(+) International Legitimacy</b>	The 2011 transition improved the military's international legitimacy, opening the possibility for bilateral military-to-military engagements with other countries, including with western governments. This enabled the military's modernisation and allowed it to occupy a key role in diplomacy.

Table 1: Aspects of power that were strengthened or diminished for the military during the transition

**Non-state armed groups dominated by the Burman majority in the lowlands, along with established ethnic forces in the highlands, are contesting military power,** intent on replacing the military. The size and scale of these opposition alliances are national and exceed the military's capacity to control or suppress them. The operations are occurring in traditional areas of ethnic resistance, but have expanded into much of the Bamar majority lowland regions and large urban centres.

**The military does not have effective control over territory or population, and its position is not sustainable,** as evident in their loss of controlled territory and a rise in areas where the military's armed power is being contested and/or overcome. Since the coup, 308 of Myanmar's 330 townships have experienced violent incidents or acts of resistance. The Special Advisory Council for Myanmar assessed that, by September 2022, the military controlled only 72 of 330 townships (22 percent) in the country. Of the 72 still under military control, many are small urban townships that equate to only 17 per cent of Myanmar's land area.<sup>5</sup> Thus, the military has difficulty establishing reliable administrations at the local level. In spite of its territorial losses, the military still controls the main transportation corridors, making it able to deploy forces quickly and efficiently to most of the country.

**The military has taken increased casualties, defections and desertions in recent years,** and has been unsuccessful in recruiting sufficient

numbers of troops to replace those losses, at the rate needed to engage resistance on a growing number of fronts. One report estimates the number of military personnel has declined from 300,000-400,000 soldiers to 200,000.<sup>6</sup> This reduction in force strength erodes the military's operational effectiveness and pro-military militias are being armed to fight local PDF groups. The growing casualties and declining combat readiness of battalions also deal a symbolic blow to the military's legitimacy and internal coherence.

**The NUCC/NUG does not currently have the capacity to engage the military in combat.**

Therefore, the NUCC/NUG focuses on the military's critical vulnerabilities by constraining its access to arms and economic resources. The opposition has also been successful in disrupting military-related economic activities, by lobbying for more international sanctions on the military's businesses and banks, denying the military revenue through boycotts of military-owned companies, and by attacking the military's logistics center. There have also been growing incidents of suspected regime collaborators being assassinated.<sup>7</sup>

**Economic power**

**Access to economic resources is critical to both the military and its opposition and will be a key determinant shaping the conflict's future.** The military had a significant economic advantage

over the opposition in the past, given its control over state assets and independent financial holdings. However, the military's revenue has been decreased by the combination of domestic economic crises, international sanctions against individuals and military-owned or affiliated companies, the closure of export markets to military-owned companies, and domestic boycotts led by the opposition. Under these constraints, the military has encountered increasing difficulty importing or producing the material or munitions needed to sustain operations, particularly in regard to airpower and artillery. Much of the military's economic survival now depends on cooperation with a few countries that do not abide with international sanctions.

There are no definitive estimates on revenue generated by the opposition to support its operations. A recent International Crisis Group report estimates the opposition has financial holdings ranging up to hundreds of millions of dollars, sufficient to sustain the opposition and prevent the military from consolidating national power. Domestic sources of revenue to the opposition appear limited, given Myanmar's desperate economic situation and the military's control over financial infrastructure. The opposition's primary revenue stream comes from crowdfunding, largely provided by Myanmar's diaspora community, with the NUG as the largest single recipient. Much of the funding has gone to sustaining the armed resistance.<sup>8</sup>

Unsurprisingly, the internet has been critical platform for the opposition to mobilize and transfer funding. The decade of relative openness in Myanmar that followed the 2011 transition was accompanied by a digital revolution, with creative ways of raising money and a technology savvy generation able to use these tools.<sup>9</sup> Notwithstanding, the opposition faces challenges in moving money to where it is needed, as it is hampered by international banking regulations and by the military's control of the national banking system.<sup>10</sup>

### Myanmar's Democratic Instinct Survived

Myanmar has been a *state* since independence, but it has never been a *nation*, inclusively-formed around an agreement among the country's diverse ethnic groups. Myanmar's military was the author of this deformed state building process. The military acted not to create unity or reform but to maintain its control. The current situation opens the possibility for a different future.

Myanmar's democratic accomplishments from the 2011 to 2021 period are preserved in an epistemic change – a broad social and cultural shift in people's expectations of the state and governance. When the military (re-) took the state, democratic structures and beliefs were not overthrown; in fact, the coup appears to have made them stronger. The opposition alliance represents this democratic instinct now embedded in Myanmar society, as a symbol of the people's readiness to collaborate across ethnic and geographic lines to build a federal democracy.

However, the opposition coalition remains fragile, and internal negotiations on key political issues have been difficult. Much effort will be required to build trust and sustain unity, and the NUCC/NUG's readiness to govern remains an important question. Of critical concern is the NUG's medium-term ability to exert command authority over a large number of PDFs and

supporting militias, which could gravitate over time towards localized conflicts and interests. It is also crucial for the NUCC/NUG's to ensure that PDFs abide with international law and avoid targeting civilians whom they consider as regime collaborators. A failure will undermine the opposition's credibility and international support.

### Alternative Futures and Recommendations

There is one scenario in which the military remains in power. If the opposition proves unable to control large areas of the country and/or deliver basic public services, Myanmar could become "Balkanized" and ungovernable. This would produce a human development catastrophe within the country and regional instability.

There is another possible future where the military is pushed from power, but no viable political alternative to guide the transition to a new political framework emerges. This scenario is similar to the "Arab Spring" in Egypt, where an authoritarian regime is dislodged but the opposition lacks the institutional capacity and governing vision to consolidate power. The scenario may allow for another return to authoritarian rule, or a situation of fragmentation and instability.

The preferred scenario would be for the opposition to consolidate as a credible governing alternative, able to guide opposition actors to a new political accord on Myanmar's future. Achieving the preferred scenario requires three forms of priority support from the international community:

- Recognition of the National Unity Government, to strengthen its legitimacy, at home and internationally, while depriving the military of such legitimacy.
- Increase the support to the National Unity Government and ensure that such support

strengthens communities, reinforces unity and avoids fomenting divisions.

- Take further actions that starve the military of financial resources and weapons, including by enforcing sanctions against the regime and crony companies. ■

### Notes

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9. Ibid.: 4.
10. Ibid.: 11.

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### THE PROJECT

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### PRIO

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