



# IN THE PICTURE

BY SEBASTIAN STRANGIO

Almost a year on from the 2011 elections, it's starting to look as though the Burmese thaw might turn out to be the real thing.

The woman they call the Lady is all over town, staring down from the walls of teashops, hanging on sun-dappled street corners, perched on the dashboards of Rangoon's ramshackle taxis. It would have been hard to imagine a year ago: in Burma, displaying a portrait of Aung San Suu Kyi - the country's sprightly pro-democracy leader - was once an act of rebellion, a prelude to arrest and interrogation by the ruling military junta. Now, more than a year after her release from house arrest, the talismanic image of the petite 66-year-old Nobel laureate has become an unexpected fixture. In the city's bustling downtown district, posters and calendars bearing her image are hawked openly alongside the more profane icons of Justin Bieber and Cristiano Ronaldo.

The Lady's public re-emergence is merely the most visible result of a remarkable year for Burma. In March 2011, a nominally civilian government replaced the old clique of ruling generals. Despite accusations of vote-rigging during elections the previous November, which were clinched by a party filled with retired military brass, the last year has brought a freshet of previously unthinkable reforms.

Suu Kyi's National League of Democracy (NLD) has decided to re-register as a political party and will contest by-elections scheduled for April. In a surprise move last month, several hundred prisoners, including dozens of high-profile dissidents, were set free, while restrictions on the press have been loosened and stern official rhetoric has taken on a

lighter tone. On the economic front, the new government has injected a dose of rationalism into the country's distorted and moribund economy, in which almost a quarter of the budget is diverted to the military, relaxing controls and introducing much-needed currency reforms.

This Burmese *perestroika* reached a high mark in December, when Hillary Clinton visited the country, holding landmark talks with Suu Kyi at her dilapidated lakeside home. That Clinton's visit to Burma - the first by a senior American official in more than half a century - has since given way to the resumption of full diplomatic relations only underlines the extent of the change.

"We had the darkest time, but now we can see the dawn," says Hla Min, an old hand of the NLD who spent more than five years in prison during the 1990s. We spoke at the party's Rangoon headquarters, humming with renewed activity as the party prepares to contest the upcoming by-elections. At long trestle tables, party volunteers hawk T-shirts, flags and other party paraphernalia under the stately gaze of the Lady and her father, independence hero General Aung San. Another group of volunteers doles out free meals to staff.

The NLD was born in the tumultuous year of 1988, when anti-government protests convulsed the country, threatening to topple the military regime. The demonstrations, like many before and since, were met with a brutal response: troops fired into crowds of unarmed demonstrators in Rangoon, killing hundreds, while countless more ended up in prison. In nationwide elections held in 1990,





the newly formed party won a landslide victory, a result that was ignored by the generals, who reasserted control and launched a fierce crackdown on the opposition. Suu Kyi, who led the party to nominal victory, was detained and has spent most of the intervening years under house arrest.

Khin Myat Thu, the leader of NLD's youth division in Rangoon, recalls being regularly shadowed by government agents, who scrutinised anyone visiting the party's offices. "They watched me. If I went anywhere, I was followed," the 28 year old says. Now she says scores of visitors - local and foreign - come and go without fear of repercussions.

When Burma announced it would hold elections in late 2010 - the first since 1990 - few took the idea seriously. The NLD opted to boycott the contest, pointing to electoral rules barring former political prisoners - including the Lady herself - from running as candidates. There were few surprises on election day: the military's proxy party, aided by vote-rigging and other electoral shenanigans, won a landslide victory.

But stage-managed elections have given way to a surprising political opening. With the retirement of Senior General Than Shwe, Burma's medal-splashed generalissimo, reconciliation has moved forward: in August, Suu Kyi met face to face with President Thein Sein, emerging to tell reporters there was an "opportunity for change". Nay Zin Latt, one of the president's advisers, says his boss is committed to a program of reforms that would lay a "concrete foundation of democracy" and welcome Suu Kyi back into the political fold. "All exiles [and] dissidents should be welcomed in state-building,

together with our national experts and expatriates."

Despite initial scepticism about his intentions, Thein Sein, a retired general who served as prime minister from 2007 to 2011, has done enough to lure the opposition back into the game.

"We believe that Daw Aung San Suu Kyi can work with this president," says Tin Oo, the NLD's vice-chairman. The energetic 85 year old, himself a former general who served in the junta before his purge and arrest in 1976, says the government has finally shown "a flicker of a light of democracy and human rights".

"We are going to find common ground," he says, a golden bust of the Lady perched behind him on a shelf. "They need Aung San Suu Kyi."

Burma's new capital city lies about four hours' drive - or a short, white-knuckled flight on an ageing Fokker F-28 jet - from Rangoon, the country's largest city and economic centre. Naypyidaw, 'the domain of kings', is nothing like the history-steeped capital built by the British; instead, it combines the scant peri-urban charms of the Australian Capital Territory with the latest in Asian business amenities: golf courses, gem emporia, luxury hotels.

The sprawling new capital is unlikely to experience anything like the upheaval of 1988, or the monk-led anti-government protests that shook Rangoon in 2007. For one thing, it lacks any obvious city centre or assembly point: hotels, government buildings and residential housing for civil servants



Posters of Burma's pro-democracy leader Aung San Suu Kyi on sale in Rangoon, December 2011. - SOE ZEYA TUN / REUTERS



  
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- pedantically colour-coded by ministry - are quarantined in designated 'zones' separated by miles of eight-lane concrete highway cutting great arcs through the surrounding scrubland. The only visual point of reference - and then, only by night - is the inverted cone of the Uppatasanti Pagoda, a full-size replica of Rangoon's Shwedagon Pagoda, the country's most revered Buddhist site.

In 2005, at an astrologically auspicious date and time, the junta shifted its ministries north to the new capital, bringing in their wake a reluctant stream of civil servants. At the time, observers interpreted the shift as a defensive manoeuvre: one journalist described Naypyidaw as "the ultimate insurance against regime change", designed to defeat popular revolts "not by tanks and water cannons, but by geometry and cartography".

But even this asphalt prophylactic can't keep out the threat presented by recent events in the Middle East, where protests have overthrown Arab despots and recast the political landscape. Author Thant Myint-U, the grandson of former UN Secretary-General U Thant, says the Arab Spring "sent quite a strong signal that reform in Burma was necessary if the country wasn't going to go down the path of violent revolution". Likewise, Than Shwe's retirement (perhaps prompted by a desire to avoid becoming another Mubarak), has cleared the way for reformists and created a "more competitive" political environment.

Another key motivation is undoubtedly strategic. For years, stringent western sanctions pushed the junta into the arms of China, which flooded Burma with no-strings-attached economic assistance and stripped the country of its abundant natural resources. But in September, President Thein Sein announced the suspension of the controversial Myitsone Dam, a titanic Chinese-funded project that had inflamed local opposition. The move was widely seen as a poke in the eye for Thein Sein's patrons in Beijing, and coincided with the quick thawing of relations with the US. (It was also designed to capitalise on growing anti-Chinese sentiment in northern Burma, especially in the northern city of Mandalay, where a third of the population is now ethnically Chinese.)

Though American officials are loath to say so openly, observers say Washington's engagement with Naypyidaw is primarily a move designed to counter a rising China. As one Rangoon-based correspondent puts it: "Burma's a very important hedge fund for the US."

**T**he key question, of course, is how long all this will last. It's hard to say if these incipient moves will pupate into a true Burmese Spring, or be remembered as an Indian summer of reform amid decades of chilling military rule.

Many of the 'generation of 1988', who experienced Burma's 'Tiananmen' and the abortive 1990 election

first-hand, are inclined to look for ulterior motives. When that year's protests broke out, Maung Wuntha was employed at one of the junta's state-run newspapers, reluctantly turning out boilerplate glorifying General Ne Win's 'Burmese path to socialism': a sort of potpourri of the least rational tenets of Buddhism and Marxism. Sensing a change in the offing, Wuntha and his colleagues seized control of the paper, organised a strike committee and started printing and distributing anti-government materials. After the crack-down, Wuntha lost his job and wound up in the NLD; along with hundreds of other pro-democracy activists, he was arrested and jailed before the 1990 election and spent much of the next decade in prison.

Sitting at his apartment office in downtown Rangoon, Wuntha, now the editor of several publications including the outspoken *People's Age Journal*, tells me the government's current talk about democracy is "lip service" designed to cement their grip on power. "Their motive is not to be a democratic establishment, just to maintain their power. Why? Because they want to make themselves rich people ... That's very simple."

David Scott Mathieson, a Burma researcher for Human Rights Watch, is also sceptical that a full Jeffersonian flowering is on the cards. "The end-game here is not some kind of rapid transition to a genuine democracy, but an evolution of a more sophisticated authoritarian structure," he says. One likely model is Singapore: a strictly regulated political system existing alongside laissez-faire economic policies and all the fruits of advanced industrial modernity.

While it may be too soon to christen Thein Sein Burma's Gorbachev - or Lee Kuan Yew - there's no doubting a significant political realignment is underway. Whatever the motivations, the new government's reforms have unexpectedly taken on a momentum of their own as erstwhile hardliners present themselves amiably and compete to win popular support.

And the further things go on, the harder it will be to turn back. In the current climate, the upcoming by-elections will likely be swept by the NLD, heaping pressure on the government to ensure that the next general election, set for 2015, is free and fair. "The NLD is very powerful among the people," Wuntha says. "With the people's sentiments, there's no possibility of going back."

**E**ven with the requisite will, however, daunting challenges remain. The *frisson* of change in Rangoon belies the desperate situation in the rural hinterlands, where most of the population remains poised on a knife-edge of survival. While the highways of the showcase capital glow around the clock (despite a notable lack of cars), 87% of the population remains without electricity, according to the International Energy Agency; more than half have no



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access to clean drinking water.

Things are even worse on the country's periphery - a festering Petri dish of ethnic conflict, narcotics production and human rights abuses. Since 1948, when Burma won its independence from Britain, it has struggled to contain ethnic militias seeking independence and autonomy; areas of the country bordering China and Thailand remain the homes of some of the world's longest-lasting armed insurgencies.

After the 2010 election, fighting raged for weeks between government forces and ethnic Karen rebels from the Democratic Buddhist Karen Army (DBKA), temporarily displacing thousands into Thailand.

Even as reforms gathered pace in mid 2011, insurgents from the Kachin Independence Army (KIA) in northern Kachin State bordering China engaged in fierce firefights with Burmese troops, cutting vital road and rail lines and forcing Chinese engineers to abandon another controversial dam project. In conflict areas, human rights groups say, the military presides over a free-for-all of abuses including killings, rape and the forcible conscription of civilians.

Last year on the Thai-Burmese border I met Yezaw, a prisoner from Mandalay who was press-ganged into porter duty with a Burmese army unit fighting DBKA rebels. The 21 year old described how he and fellow convicts were trucked across the country and forced to carry massive loads of military supplies over punishing jungle terrain. Soldiers beat the porters for the slightest of infractions, and forced them to defuse landmines laid by the enemy. After 'accidents' with mines - a horrifically frequent occurrence given the primitive tools available - the dead and dying were simply abandoned in the jungle.

In recent months, government officials have put out fresh feelers to the armed groups, agreeing last month to a ceasefire with Karen rebels that has raised hopes of a more lasting solution. But there's a long way from temporary ceasefires to a long-term peace settlement, something that is the *sine qua non* of sustainable political and economic reform. "There's no way around it," says Thant Myint-U. "You can't really take the gun out of politics until you have peace and the role of all these armies becomes redundant."

The military, with its vast budgetary needs, is also the root of the country's host of surreal economic distortions. Burma's monthly per capita income languishes at around US\$31, but due to import restrictions a 25-year-old Toyota can cost tens of thousands of dollars. The official exchange rate of the Burmese kyat hovers artificially at around six to the US dollar, while on the black market, which more accurately reflects the real state of the economy, a dollar buys

800 to 1100 - a yawning gap that was used by the military to mask 'withdrawals' from the national accounts.

Small steps by the government - including a pledge to work with the International Monetary Fund to rationalise the country's currency - offer hope, but without a wider assessment of the military's role in Burma the reforms can only go so far. "This is one reform that a lot of people in the country aren't talking about, because it's the ultimate reform," says Mathieson.

Indeed, the military has already taken steps to ensure it retains control of the economy. A fire sale of state enterprises, held in the run-up to the 2010 elections, put

the commanding heights of the economy in the hands of a new generation of cronies, rich tycoons with close links to the military ruling elite. **Sean Turnell**, an expert on the Burmese economy based at Macquarie University, says that while privatisation was a necessary step, it bears worrying comparison to Russia's post-Soviet liberalisation, which resulted in a class of oligarchs short-circuiting the country's democratic development.

One bright spot - if it can be called that - is the sheer desperation of Burma's economic situation. In such conditions, Turnell says, even small changes will result in outsized improvements for the Burmese people. "The economic dimension could really reinforce any sort of political reform, could become a real force for creating momentum," he says.

**B**ack in Naypyidaw, I meet Monty Redmond, an Englishman who runs the Zabu Thiri Hotel, a six-storey concrete edifice overlooking the new capital's fast-changing cityscape of snaking highways and low-density development. "Last year, this whole area was empty," he says, standing at the hotel's entrance and gesturing into the rosy light of early evening.

Redmond, who was born and grew up in Burma and returned to the country to work in 1995, says he was long sceptical of the regime's intentions, but is now convinced that real change is underway. The Lady is free again, western diplomats come and go, and hotels in Rangoon are finally operating at full capacity - an indirect sign that the haze of repression and isolation is finally starting to lift. As with the construction of their remote new capital, Burma's leaders 'want to get rid of the old history, whatever they've done,' Redmond tells me over drinks later in the hotel's empty dining hall. And this desire to turn a new leaf - no matter the ensuing twists and turns - is startlingly unprecedented.

"They've put themselves on the right track," he says. "All they have to do is walk." **M**

## THE MILITARY HAS TAKEN STEPS TO RETAIN CONTROL OF THE ECONOMY