



FOREIGN AFFAIRS

Myanmar's Coming Revolution

What Will Emerge From Collapse?

BY THANT MYINT-U July/August 2021

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Myanmar is at a point of no return. The army's February coup, meant to surgically shift power within the existing constitutional framework, has instead unleashed a revolutionary energy that will be nearly impossible to contain.

Over the past four months, protests and strikes have continued despite the killing of more than 800 people and the arrest of nearly 5,000 more. On April 1, elected members of parliament from Aung San Suu Kyi's National League for Democracy (NLD), together with leaders from other political parties and organizations, declared a "national unity government" to challenge the authority of the recently established military junta. And through April and May, as fighting flared between the junta and ethnic minority armies, a new generation of pro-democracy fighters attacked military positions and administrative offices across the country.

The junta could partially consolidate its rule over the coming year, but that would not lead to stability. Myanmar's pressing economic and social challenges are too complex, and the depth of animosity toward the military too great, for an isolated and anachronistic institution to manage. At the same time, the revolutionaries will not be able to deal a knockout blow anytime soon.

As the stalemate continues, the economy will crumble, extreme poverty will skyrocket, the health-care system will collapse, and armed violence will intensify, sending waves of refugees into neighboring China, India, and Thailand. Myanmar will become a failed state, and new forces will appear to take advantage of that failure: to grow the country's multibillion-dollar-a-year methamphetamine business, to cut down the forests that are home to some of the world's most precious zones of biodiversity, and to expand wildlife-trafficking networks, including the very ones possibly responsible for the start of the COVID-19 pandemic in neighboring China. The pandemic itself will fester unabated.

The task now is to shorten this period of state failure, protect the poorest and most vulnerable, and begin building a new state and a freer, fairer, and more prosperous society. A future peaceful Myanmar can only be based on both an entirely different conception of its national identity, free of the ethnonationalist narratives of the past, and a transformed political economy. The weight of history makes this the only acceptable outcome but also a herculean task to achieve. The alternative, however, is not dictatorship, which can no longer achieve stability, but rather ever-deepening state failure and the prospect of a violent, anarchic Myanmar at the heart of Asia for decades to come.

A COLONIAL INHERITANCE

Myanmar is a colonial creation. Over the course of the nineteenth and early twentieth centuries, the United Kingdom conquered the coastline from Bengal to the Malay Peninsula, the valley of the Irrawaddy River (home for a millennium to Burmese-speaking Buddhist kingdoms), and then the surrounding uplands (regions that had never before come under external control). Myanmar—then called Burma—was forged through a military occupation and governed as a racial hierarchy. Imperial census administrators complained that the many and varied identities of its inhabitants were too fluid and contingent and that the country was “a zone of racial instability.” They nonetheless divided everyone into neat racial categories, with some races deemed “indigenous” and others “alien.” The British also established an incredibly unequal and exploitative colonial political economy, based on the large-scale immigration of Indian labor and the export of primary commodities—mainly rice, oil, and timber—to global markets.

Modern Burmese politics emerged a century ago, and at its core was an ethnonationalism rooted in the notion of a Burmese-speaking Buddhist racial identity. In 1937, ten years before Pakistan was partitioned from India along religious lines, the British partitioned Burma from India on the basis of perceived racial difference. After winning independence in 1948, the new Burmese state tried to incorporate those non-Burmese peoples of the country also deemed indigenous, such as the Karens and the Shans, but within a framework of Burmese racial and cultural supremacy. Those peoples categorized as “aliens,” such as the more than 700,000 people from the Rohingya Muslim community viciously expelled to Bangladesh in 2016 and 2017, have fared worse. Myanmar’s nation-building project has failed for decades, leaving behind a landscape of endemic armed conflict and a country that has never truly been whole.

The Burmese army has been the self-appointed guardian of this ethnonationalism. It is the only army in the world that has been fighting nonstop since World War II: against the British and then the Japanese, and, after independence, against an extraordinary array of opponents, including Washington-backed Chinese nationalist armies in the 1950s, Beijing-backed communist forces in the 1960s, drug lords, and ethnic armed forces struggling for self-determination, all the while taking as well as inflicting enormous casualties. Since the 1970s, most of the fighting has been confined to the uplands, where the army became an occupation

force imposing central rule on ethnic minority populations. But every now and then, the army would descend into the cities of the Irrawaddy River valley to crush dissent. The ranks of the armed forces have grown to over 300,000 personnel. In recent years, the military has acquired new Chinese and Russian combat aircraft, drones, and rocket artillery. It is led by an officer corps that cannot imagine a Myanmar in which the military is not ultimately in control.

For four decades after independence, successive civilian and military governments embraced socialism in response to colonial-era economic inequalities. The main opposition to ruling governments was communist. During the 1960s, the military junta of the time combined the nationalization of major businesses with extreme isolation from the rest of the world. But that orientation shifted in 1988, when a new army junta seized power, rejected socialism, and began encouraging private business, foreign trade, and foreign investment. Over the following years, however, Western countries began to impose sanctions in solidarity with a nascent democracy movement. At the same time, the army's principal battlefield enemy, the Beijing-backed communist insurgency in the northeast, collapsed, making trade with China possible for the first time in decades. The net result was a Burmese capitalism intimately tied to China's giant industrial revolution next door.

The political economy that emerged during the 1990s and early years of this century was the most unequal since colonial times. Illicit narcotics syndicates flourished, especially in areas where the junta had reached cease-fires with local militias. Timber and mining (especially of jade) enriched a cohort of generals, militia leaders, and their business partners, who invested these profits in real estate in the country's biggest city, Yangon, sending housing prices into the millions of dollars. By 2008, newly discovered offshore gas fields were providing the junta with over \$3 billion a year, money that those with the right connections could access at ludicrously low exchange rates. Not all army officers accumulated much wealth, but all enjoyed access to patronage networks that could transform power into wealth.

No one paid taxes, and the state provided next to no social services, with the World Health Organization listing Myanmar's health system at the absolute bottom of its table of national health systems in 2000. The army confiscated land on an enormous scale from ordinary people. Then, in 2008, a cyclone killed 140,000 people. Landlessness, the cyclone, and other environmental threats relating to climate change fueled an epic migration from west to east, from lowland ethnic Burmese areas to Yangon and upland minority areas, and from everywhere around the country to Thailand, where three million to four million unskilled laborers from Myanmar work today. Myanmar's ethnic demographics became further jumbled, separating identity from place.

Ethnonationalism had no ideological rivals. In 1989, the generals changed the name of the country from Burma, a geographic term used by Europeans since the sixteenth century to

mean the area around the Irrawaddy valley, to Myanmar, an ethnonym for the Burmese-speaking majority. Socialism and communism had been discredited, and in their place came a nationalist narrative rooted in a conception of the country as a union of indigenous “national races,” with the Burmese-speaking Buddhist people—the Myanmar people—and their culture at the unquestioned center.

THE DEMOCRATIC OPENING

A decade ago, Myanmar began opening up both its political system and its economy. The reforms came about not because of sanctions or diplomatic engagement but because the country’s aging autocrat, General Than Shwe, believed that a new constitutional setup would help ensure him a safe and comfortable retirement. He didn’t want to hand power to a new military dictator, who might one day turn against him, and he believed the more prudent option was to split power between an army under a younger cohort of generals and a government led by the pro-army party he had created, the Union Solidarity and Development Party. But in 2011, the reformist ex-generals leading the USDP went off script, releasing political prisoners, including Aung San Suu Kyi, ending media censorship, freeing the Internet, and ushering in a level of political freedom unknown for half a century. Western governments, hoping democracy might be just around the corner, rolled back sanctions, and the country’s economy boomed. The opening of the telecommunications sector sparked a revolution in connectivity: in 2011, almost no one in Myanmar had a phone; by 2016, most people had smartphones and were on Facebook. A new generation came of age in a period of relative freedom and wanted desperately for their country to succeed as a prosperous and peaceful democracy.

The army, however, was left in its own universe. When Than Shwe retired, he promoted a relatively junior officer, Min Aung Hlaing, to be the new commander in chief, with the explicit task of safeguarding the army’s preeminence. But Min Aung Hlaing and the new crop of generals below him were decades younger than the men of the old junta, and they had little access to the moneymaking networks of prior decades. At the same time, the reforms begun in 2011 shrank the army’s role in the economy considerably. It lost its privileged access to foreign currency and corporate monopolies. Its share of the national budget was reduced. Moreover, the army no longer had a say in economic policy. Some of its former business partners lost out to newly arrived foreign competition; others thrived in the open environment. But few companies were any longer dependent on the military’s largess.

In the 2010s, the army placed less emphasis on moneymaking and more on the exercise of violence. The generals wanted to upgrade their weaponry and become, in their own words, a “standard modern army.” They dreamed of ending the country’s endless internal armed conflicts on their own terms, using a mix of pressure and persuasion to disarm and demobilize the many and varied forces fighting on behalf of ethnic minority communities. Their focus over the past ten years has been campaigns against new ethnic minority forces, in particular

the Arakan, Kokang, and Ta'ang armies, all linked to China, as well the ethnic cleansing of the Rohingya. To some extent, their uncompromising stance found support among the public, as Burmese ethnonationalism flourished on social media, as well as among Buddhist organizations that saw Islam and all things foreign as threats to the conservative order they espoused.

From 2011 to 2015, the army shared power with the reformist ex-generals of the USDP in what was more or less an amicable relationship. But in 2016, after Aung San Suu Kyi's NLD won a landslide election victory, they found themselves in government with their longtime political foes. Under the constitution, the army held three ministries—Defense, Home Affairs (which controlled the police), and Border Affairs—as well as a quarter of the seats in parliament. But Aung San Suu Kyi enjoyed real power. Her supermajority meant she could pass any law she wished, as well as control the country's budget and the entire range of government policy apart from the security issues directly under the military's purview.

She and the generals shared conservative values, including a respect for age, self-discipline, and the Buddhist establishment, and had a similar ethnonationalist worldview. They were united in believing that the Western reaction to the Rohingya expulsions was unfair. In 2019, Aung San Suu Kyi acted out of conviction, not expediency, when she went to The Hague to defend the army before the International Court of Justice. But her relationship with the generals was testy at best. The NLD feared a coup. The army feared a conspiracy between Aung San Suu Kyi and the West to remove it from the government altogether. Min Aung Hlaing worried that Aung San Suu Kyi might one day throw him under the bus to placate her erstwhile international supporters, many of whom had disavowed her after the violent displacement of the Rohingya.

As political tensions grew, the country's economy reached a tipping point. In 2016, the central bank, following advice from the International Monetary Fund, introduced new prudential regulations for Myanmar's private banks at a time when as many as half of all loans in the country were nonperforming and the once white-hot real estate market had just nose-dived. Aung San Suu Kyi suddenly found that she had leverage over a business class that many of her supporters loathed. The cronies who had become rich under the old junta now vied for her attention. Her technocrats pushed for further liberalization. At the same time, Beijing, which had nurtured close ties with Aung San Suu Kyi, was proposing multibillion-dollar infrastructure projects through its Belt and Road Initiative, including the China-Myanmar Economic Corridor, which would stretch from China's southwestern province of Yunnan to the Bay of Bengal.

Then came the COVID-19 pandemic. Its impact on public health was minimal, but lockdowns and disruptions to foreign trade sent the economy into a tailspin. The government's response was anemic at best, offering virtually no cash support to those hardest hit. According to one survey conducted in October 2020, the proportion of the population

living in poverty (those making less than \$1.90 a day) had risen from 16 percent to 63 percent over the previous eight months, with a third of people polled reporting no income since August 2020. Public trust in Aung San Suu Kyi, however, only grew, as she appeared on Facebook for the first time, live-streaming conversations with health-care workers and others. Millions didn't blame her for the economy's ills and instead felt that they finally had a leader who was looking out for them.

But alarm bells were already ringing, especially outside the Burmese-majority heartland. After the ethnic cleansing of the Rohingya Muslims, an entirely new dynamic emerged in Rakhine State, in the west of the country: the rise of the Arakan Army, set on achieving self-determination for the state's Rakhine-speaking Buddhist community. In 2018, the Arakan Army began large-scale attacks on government positions. It was the most significant armed insurrection in Myanmar in a generation. By late 2020, it had pinned down several army divisions and had gained de facto authority over vast swaths of the Rakhine countryside.

At the other end of the country, the methamphetamine industry, which supplied markets as far afield as Japan and New Zealand, was thriving as never before. The drugs were produced in areas controlled by militias near the Chinese border, with the bulk of profits going not to anyone in Myanmar but to powerful transnational syndicates, such as the one headed by the Chinese Canadian Tse Chi Lop, who was arrested in January in Amsterdam and is purported to have made as much as \$17 billion in revenue annually. Drugs encouraged a growing ecosystem of money laundering and other illicit industries, with over a hundred casinos in the northeast, near the Chinese province of Yunnan, and plans for a giant gambling and cryptocurrency hub on the border with Thailand.

National elections took place last November in the feverish context of rising conflict and economic woes. But people still voted overwhelmingly for Aung San Suu Kyi. The army leadership was shocked, having believed that the NLD would fare poorly, given the state of the economy, and that the military top brass would have at least a say in choosing the next president. Instead, Aung San Suu Kyi, thanks to the scale of her win, seemed set to be more powerful still. Efforts by Aung San Suu Kyi and Min Aung Hlaing to reach an understanding went nowhere. He fixated on allegations of electoral fraud and demanded an investigation into the election. She refused to consider this. The army felt humiliated. But ordinary people, thrilled by her victory, could only imagine better times ahead.

THE COUP AND THE UPRISING

On February 1, the army seized power, arresting Aung San Suu Kyi and other NLD leaders. It was billed not as a coup d'état but as a state of emergency under the constitution, with the new junta composed of members of several political parties (other than the NLD) as well as top generals. Min Aung Hlaing stacked his cabinet with senior technocrats and, in his first

public appearances, promised to prioritize the post-pandemic economic recovery and even suggested a multibillion-dollar stimulus package. He seems to have thought that he could take over without much of a fuss, sideline the NLD, focus on fixing the economy, and then hold fresh elections skewed to his advantage. If so, he completely misread the public mood.

The reaction to the coup was spontaneous and visceral. Within days, hundreds of thousands of people poured onto the streets demanding an end to military rule, the release of Aung San Suu Kyi and other civilian leaders, and the restoration of the elected government. At the same time, a civil disobedience movement began, with medics leaving government hospitals, and quickly spread across the public sector, from ministerial departments down to local administrative bodies. On February 22, a general strike shut down businesses, including banks, all around the country. And a campaign on Facebook meted out “social punishment” in the form of orchestrated public attacks on any person or business thought to have links to the army or the junta.

The army cracked down mercilessly. It had held back at first, perhaps in the hope that the protests would melt away on their own. But over the last week of February, battle-hardened troops of the army’s elite light infantry divisions, including the units responsible for the ethnic cleansing of the Rohingya, began moving into Yangon and other cities. A campaign of terror accompanied the lethal use of force: as night fell, the Internet went dark, and soldiers began firing indiscriminately in residential neighborhoods, setting off sound grenades, breaking down doors, and hauling people away. The large crowds dissipated, but smaller and even more determined protests persisted. Young men and women erected makeshift barricades and wielded shields and occasionally improvised weapons to defend themselves against the soldiers’ automatic fire. On March 14 alone, dozens were killed in Yangon’s industrial suburb of Hlaingthaya. On March 27, over a hundred died as the army opened fire on crowds across Myanmar.

The carnage radicalized the resistance. With videos of the beating and killing of civilians shared over the Internet, the popular desire to simply reverse the coup transformed into a determination in some quarters to see an end to the army altogether. Protesters raised signs calling for “R2P,” referring to the principle of “the responsibility to protect,” which obliges the international community to intervene in a country to defend its people from crimes against humanity, even if such an action violates that country’s national sovereignty. For a while, many in Myanmar genuinely expected that the world would save them from a new dictatorship. But by late March, with no armed international intervention in sight, many young protesters turned to armed insurrection. In the city of Kalay, near India, for example, local residents resolved to fight back as the “Kalay Civil Army,” arming themselves with homemade hunting rifles, killing several soldiers, and holding out for ten days before the army overran their positions. Dozens of new groups, locally organized and lightly armed, began appearing in different parts of the country over the following months. In May, another militia called the

Chinland Defense Force held the town of Mindat, in the rugged western uplands, for three weeks before the army, using artillery and helicopter gunships, forced them to withdraw. All the while, hundreds of young men and women made their way to territories controlled by ethnic minority armies to receive training, including in explosives. By late May, there had been dozens of arson and other attacks on police and administrative offices and nearly a hundred small bombings against junta-linked targets, including in Yangon.

These new guerilla movements can certainly keep the junta off balance. But the insurrectionists will not be able to build a new army to challenge the existing one without significant help from a neighboring country, which seems next to impossible. And nothing in the history of Myanmar's army suggests that a sizable chunk of its forces would break away and join a rebellion. That leaves the ethnic minority armies as the only other possible agents of a broader uprising. The Kachin Independence Army and the Karen National Liberation Army, in the far north and southeast of the country, respectively, have already mounted new attacks on army positions. Other groups, too, may move from statements of political support to armed action. But even the combined might of the ethnic armed organizations—numbering perhaps 75,000 fighters in total—would be no match for a military that has far superior artillery and a monopoly on airpower. Moreover, the most powerful ethnic armed organization, the United Wa State Army, with 30,000 troops, has deep links to China, having emerged from the old communist insurgency. It will heed the advice of Beijing, which has no love for the Myanmar army but does not want to see an all-out civil war.

MYANMAR AS A FAILED STATE

More than anything that happens on the battlefield, it is the ongoing implosion of the economy that will turn Myanmar into a failed state. Industries on which ordinary households rely, such as tourism, have collapsed, as have other sources of income, such as remittances from overseas, which totaled as much as \$2.4 billion in 2019, a result of income lost by migrant workers abroad during the global pandemic. The garment industry employed over a million people, many of them young women, and was a success story during the past decade, but it has been devastated as orders from Europe have dried up. The future of the agricultural sector, the biggest employer in the country, remains uncertain, with logistics disrupted by strikes and China now closing border crossings out of fear of COVID-19. What is most critical is that the financial sector has been paralyzed by a mix of strikes, the unwillingness or inability of the central bank to provide added liquidity, and a general collapse in confidence. Closed banks mean no cash at ATMs and thousands of businesses unable to make payroll, taking trillions of kyats (equal to billions of dollars) each month out of circulation. The knock-on effect across all sectors has been catastrophic.

The economy may be on its knees, but the junta will likely not suffer. Revenues from natural gas and mining will continue to flow into its coffers. The army-owned conglomerates provide at most a fraction of the \$2.5 billion or so the military receives annually from the regular

budget, and so foreign sanctions on those firms won't have much effect. In any case, the junta now controls the country's entire \$25 billion budget: the first cuts won't be to defense in any fiscal squeeze.

But the people of Myanmar will suffer enormously. The UN Development Program expects half of Myanmar's population of 55 million to fall into poverty over the coming six months, and the World Food Program worries that 3.5 million more people will face hunger. Lifesaving medicines and treatments are in extremely short supply, and over the course of 2021, 950,000 infants will not receive the vaccines that they would normally get for diseases such as tuberculosis and polio. Those who suffer most will include those who have always been the most vulnerable, including landless villagers, upland farmers, migrant workers, the Rohingya, people of South Asian descent, and the internally displaced. The economy will collapse not with a bang but with a whimper, as a new generation grows up severely malnourished and uneducated.

Myanmar as a failed state may look something like this: The army holds the cities and the Irrawaddy valley, but urban guerilla attacks and a spreading insurrection prevent any firm consolidation of junta rule. The strikes end, but millions remain unemployed, and the vast majority of people have little or no access to basic services. Some ethnic armed groups are able to carve out additional territory, while others come under withering air and land assault. In Rakhine State, the Arakan Army expands its de facto administration, and in the eastern uplands, old and new militia groups strengthen their ties to transnational organized crime networks. Extractive and illicit industries become a bigger piece of Myanmar's economic pie. As armed fighting intensifies, Beijing, fearing instability above all, feels compelled to increase its sway over all territories east of the Salween River. Myanmar becomes a center for the spread of disease, criminality, and environmental destruction, with human rights atrocities continuing unchecked.

BREAKING FREE FROM THE PAST

A deep crisis can be an opportunity for radical change. Ongoing efforts by elected members of parliament, civil society groups, and emerging protest networks across the country to break through entrenched ethnic divides represent a seismic shift, one that might eventually do what the democratic thaw of the last decade could not: overcome the legacy of colonial-era racism and a century of ethno-nationalist politics, end discrimination, and foster a new multicultural national identity. Equally important will be a reimagining of the economy, turning it away from a reliance on the market liberalization that yielded the extreme inequality of past decades and toward a new welfare state and the kinds of structural transformations that could create inclusive, dynamic development.

Myanmar's future need not be bleak. Successful change must come from within, and there is absolutely no doubt, given what has happened since February, that Myanmar's young people are determined to alter the course of their country's history. It is they who must chart a path

forward. But global action now could alleviate some of the suffering in the country and help it more swiftly escape impending disaster.

First, the international community needs to agree to a resolution in the UN Security Council that clearly demands a quick and peaceful transition back to an elected civilian government. China must be on board; there is simply no substitute for China's involvement because of its economic clout in Myanmar and its deep ties to many of the country's ethnic armed organizations. International sanctions that do not involve China may be symbolically important, but they will be just that: symbolic. The junta can survive with just China's tacit support. But Beijing can play a constructive role. It has always had difficult relations with the generals, is wary of instability, would prefer a return to civilian government, and remains uncertain of its next moves. Diplomacy between Beijing and Washington will be essential in achieving a Security Council resolution and thereby providing the needed framework for international cooperation on Myanmar. Several countries in the region are important, as well, especially India and Thailand, Myanmar's other key neighbors, and Japan, whose aid and investments have been a big part of the country's economic growth over the past decade. The Association of Southeast Asian Nations, the regional body, is far less significant; it initiated a process of dialogue with the junta in April that has yet to bear any fruit.

Second, outside powers must support and encourage all those working not only for democracy in Myanmar but also for the broad transformation of Myanmar politics and society. That includes serious efforts, possibly through an expanded UN civilian presence in Myanmar, to monitor human rights abuses and negotiate the release of political prisoners. It is critical, however, not to raise false hopes by offering people in Myanmar the chimera of international salvation; that would only steer energy away from building the necessary and broadest possible coalitions at home.

Third, outside help needs to be based on an appreciation of Myanmar's unique history, one in which past army regimes have withstood the strictest international isolation, and the unique psychology of the generals themselves, molded by decades of unrelenting violence. The international community's usual carrots and sticks won't work.

Fourth, foreign governments should assist poor and vulnerable populations as much as possible, perhaps focusing initially on providing COVID-19 vaccinations. But such assistance must be handled with tremendous political skill and designed in collaboration with health-care workers themselves, so as not to inadvertently entrench the grip of the junta. Many of the junta's opponents have wanted to crash the economy to help trigger revolution, but as weeks stretch into months and years, it will be necessary to protect the civilian economy as much as possible, to prevent a worsening humanitarian disaster. Responsible global firms that do not

do business with the army should be encouraged to stay in the country. A population that is healthy and well fed is one that will be better able to push for political change.

Governments must try different initiatives with as much flexibility and international coordination as possible. There is no magic bullet, no single set of policies that will solve the crisis in Myanmar. That's because the crisis isn't just the result of the February coup; it is the outcome of decades of failed state building and nation building and an economy and a society that have been so unjust for so long to so many. The outside world has long tended to see Myanmar as a fairy tale, shorn of its complexities, in which an agreeable ending is just around the corner. The fairy tale must now end and be replaced with serious diplomacy and well-informed, practical strategies. With this, there is every chance that over a few years—not magically overnight—Myanmar can become the peaceful democracy so clearly desired by its people.

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