Development and Democracy Politics:
Motivations of Political Elites in Burma-Myanmar and Vietnam

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Abstract

Vietnam and Burma-Myanmar had a somewhat comparable status in 1970s and early 1980s. Both were authoritarian regimes presiding over relatively closed economies, and both were under international scrutiny for human rights abuses—Burma-Myanmar for its treatment of minorities in the border states and Vietnam for its abuse of South Vietnamese capitalists during reunification, as well as the Vietnamese occupation of Cambodia. Since that time, however, each state has evolved into vastly different members of the international system. Vietnam, while retaining the political structure of communism, implemented sweeping economic reforms during the mid-1980s, integrating into the international system and experiencing remarkable economic growth. On the other hand, when Burma-Myanmar attempted to open its economy in the late 1980s, its efforts were crippled economic and diplomatic sanctions in place by western states because of continued extreme abuses of human rights against ethnic minorities and pro-democracy dissidents. In 2011, Burma-Myanmar began a political shift toward democracy in order to engage in the international system, diversify trade partners, take advantage of foreign direct investment from the west. This research examines the political and economic progression of Vietnam and Burma-Myanmar from the mid-1900s through present, with the intention of demonstrating the domestic motivations and international incentives for reform over time.

Introduction

In 1974 the Burmese military government adopted a new constitution, creating a one-party, socialist state under the Burmese Socialist Programme Party (BSPP). Mismanaged socialist economic policy, initiated by the military’s “Burmese Way to Socialism” in the late 1960s, closed Burma-Myanmar\(^1\) off from the rest of the world and halted any hopes of a fast economic recovery following the devastation of World War II.\(^2\) Although the new Constitution created seven states in the peripheral areas of the country to represent and gave equal status to ethnic minority groups, most reforms were cosmetic and did not actually improve the situation of populations living there.\(^3\) In the border states, the military waged war against ethnic minority militias that had attempted secession after the military coup in 1962 or earlier. In Karen, Karenni, Kachin, Chin, Mon, Rakhine, and Shan states, the military was accused of committing egregious human rights abuses in its mission to prevent the dissolution of the Union.\(^4\) That year for the first time, ethnic minority resistance groups joined forces with Burman political dissidents.

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\(^1\) Note: In this paper, Burma, Myanmar, and Burma-Myanmar will be used interchangeably, although Burma will be used specifically to describe the country before the name change in 1989.


\(^3\) *Ibid*, 197.

to oppose the government with a united front.\textsuperscript{5} Student-led protests and urban riots in 1975 and 1976 were quickly repressed; the military closed troublesome universities, arresting and even killing some student protesters.\textsuperscript{6}

On the opposite side of mainland Southeast Asia in 1975, North Vietnam invaded South Vietnam following the U.S. withdrawal, reunifying the country under communist rule. Although North Vietnam had already adopted communist economic practices like farmland collectivization and the nationalization of industry, South Vietnam’s forced transition away from capitalism proved painful. Nationalization of industry decimated the savings of shopkeepers and businesspeople in the South.\textsuperscript{7} Collectivization of agriculture was also met with resistance, especially among Southern middle-class farmers in the rich farmland of the Mekong Delta.\textsuperscript{8} Southern resistance to communist rule resulted in waves of refugees fleeing persecution, numbering close to one million in neighboring countries in the years immediately following the communist takeover. Despite the efforts of the Communist Party in the first decade of unified independence, Vietnam’s economy crumbled, leaving standards of living even lower than those before the Vietnam War and the economy hardly more advanced than that of colonial Vietnam under the French.\textsuperscript{9}

Although these two regimes—military dictatorship in Burma-Myanmar and communism in Vietnam—have vastly different and complex histories, the 1970s provide the pair a similar starting point. Both countries faced international disapproval of their respective political systems, as well as domestic opposition to leadership. However, in the following decades, the two country’s paths would sharply diverge. Vietnam, after pursuing a series of economic reforms beginning in the late 1980s, has become an economic success story, accepting capitalist elements without liberalizing other aspects of government and successfully integrating into the international system. Burma-Myanmar, on the other hand, has become one of the least developed states in Southeast Asia, cut off from the global economy by harsh sanctions imposed by the West after a brutal crackdown in 1988.

Somewhat surprisingly, Burma-Myanmar has begun a process of political and economic reform led by the military government over the last three years. The new quasi-civilian government created under the 2008 Constitution still affords the military a great deal of power, however, a new system of checks and balances between several centers of power—including a three-quarters civilian, one-quarter military Parliament—has allowed a space for participatory politics and a loosening of the military’s iron grip for the first time since 1962.\textsuperscript{10} Under the new government system, the country has opened its economy, prompting a flood of foreign

\textsuperscript{5} Bertrand, 2013, 197.
\textsuperscript{6} Ibid, 197.
\textsuperscript{7} Ibid, 153.
\textsuperscript{8} Ibid, 153.
\textsuperscript{10} Bertrand, 2013, 204.
investment from states, like the U.S., that have begun to relax sanctions in light of recent reforms. Meanwhile, although Vietnam’s economy is far more open than that of Burma-Myanmar, the new 2013 Constitution re-affirms the role of the Communist Party and the limits on participatory politics that have been in place since the 1950s.11 This paper will argue that elites in Burma-Myanmar decided to institute political reform and democratization in order to develop, modernize, and engage in the international system, while elites in Vietnam have been able to maintain the political status quo because the state does not face the same obstacles to global engagement faced by Burma-Myanmar.

**Literature Review**

**Democratic Transitions**

The Wave Theory of democracy holds that, with few exceptions, democratic transitions have typically occurred in large groups or waves that coincide with a change in the international system that allows for or incentivizes greater democracy. Huntington defined a wave of democratization as “a group of transitions from nondemocratic to democratic regimes that occurs within a specified period and that significantly outnumbers transitions in the opposite direction during the same period.”12 The first wave is recognized in the late nineteenth and early twentieth centuries in an industrializing world. The second wave followed World War II and decolonization efforts worldwide. The third wave occurred in the 1970s and 1980s. Some theorists extend the third wave of democracy through the 1990s and early 2000s to include the democratization of states after the fall of the Soviet Union, however, others consider these states to be a separate fourth wave.13

Donald Share theorized that democratic transitions take place across two spectrums: consensual-nonconsensual and gradual-rapid.14 Nonconsensual transitions occur when the current regime resists democratization efforts, resulting in bottom-up democratic transition and a complete ousting of the current regime, demonstrated in recent events in Egypt and several other Arab states. Consensual transitions occur when a current regime acts to change the regime type from the top down, an accurate depiction of the current events in Burma-Myanmar. According to Share, a rapid, consensual shift towards democracy like that seen in the state in the last three years requires great political skill and will among elite leaders in order to combat the danger posed by heightened politicization and potential instability during the transition.15

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15 Ibid.
While Huntington and Share discuss democracy in similar ways, Huntington tends to focus on the state within the international system while Share focuses more on the individual actions of regime and opposition elites. These two approaches exemplify two large schools of thought regarding democratic transitions: the structural approach and the actor-centered approach.

**Structural Theories**

Structural theories of democratic transitions emphasize systemic factors for the change in character of regimes, both on the international and domestic levels. Theories such as the Wave Theory discussed previously, Democratic Domino Theory, and Modernization Theory have led to the belief that structural factors play a crucial role in democratization regardless of who is in power, and have contributed to the political idea that democracy can be promoted in other states by outside actors.

The Democratic Domino Theory, similar to the Wave Theory, is the concept that democracy is “contagious,” and that democracy in one country will lead to increased democracy in a given region. In their empirical study of this theory, Peter Leeson and Andrea M. Dean found that democracy diffusion can have a modest affect on the regime type of geographic neighbors, however, they admit that democracy only affects neighboring states by an “infection rate” of eleven percent. The Democratic Domino Theory’s explanation could explain some of the variability in democratization between Burma-Myanmar and Vietnam; Vietnam shares borders with notoriously nondemocratic China, Laos, and Cambodia, while Burma-Myanmar share borders with more democratic states including India and Thailand. However, given the amount of time the country was exposed to democracy along its borders and yet remained firmly autocratic, it seems unlikely that the current democratic transition is the result of “diffusion” of democracy.

Modernization Theory applied to democratic transition suggests that “modernizing” states, characterized by industrial economies and high economic growth, will become more democratic. 16 While Huntington suggests that higher economic wellbeing is a “necessary but not sufficient” precursor to democracy, other theorists disagree that economic growth must precede democratization. 17 According to Christian Welzel, democratization has been demonstrated to be closely tied to democratization, due to a variety of closely entwined factors including: “productivity growth, urbanization, occupational specialization, social diversification, rising levels of income and prosperity, rising literacy rates and levels of education, more widely accessible information, more intellectually demanding professions, technological advancement in people’s equipment and available infrastructure, including means of communication and

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transportation, and so on.”18 Overall, modernization offers a vast increase in the resources and capabilities of the masses to articulate demands, take collective action, and to demand state responsiveness.19

Przeworski et al argue that increasing GDP per capita does not act as a causal mechanism in most cases and posit instead that democratic transitions occur randomly.20 Rich states, though, have a lesser chance of “backsliding” into autocracy once democracy is fully in place, which accounts for the high correlation between GDP per capita and democracy. The opposing cases of Burma-Myanmar and Vietnam offer more support to Przeworski than to Huntington and Modernization Theory; Burma-Myanmar is the least developed state in Southeast Asia and elites have manufactured the current top-down transition partially as an effort to push the country into modernity, rather than modernity prompting demands for democracy. Vietnam, on the other hand, has been experiencing positive economic growth for nearly two decades without any substantial movement toward democratization. While those who foresee Vietnam’s Communist Party at risk for future dissolution apply modernization theory as a framework for future political change, the CPV’s totalitarian grasp on power remains stable despite a growing middle class and thriving economy.

**Actor-Centered Theories**

A second theoretical school of democratic transitions focus on actors and individual choices of elites to explain changes in a political system. While the actions of elites must take place within a structure, the actor-centered explanation for new democracies rests on domestic leadership agency rather than the international system.

In his book *Polyarchy*, Robert Dahl takes an actor-centered approach to examine why rational actor elites in a given regime would take action to democratize the state. Elites carry out an expected utility calculation of cost of repression versus cost of toleration. If the cost of repressing competition from the opposition rises higher than the cost of tolerating the opposition, elites will act in their own best interest and take action for political reform.21 In Dahl’s argument, the challenge that faces the “Innovator,” or the actor(s) that seeks to liberalize a political system is managing uncertainty among political groups while fostering healthy political competition. If competition becomes too intense and uncertainty reigns, elites will calculate the cost of repression as lower than the cost of toleration and may roll back political reforms accordingly.22

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19 Ibid.
22 Ibid, 16.
In their 1986 book, O’Donnell and Schmitter also examine elite decision-making, however, their work is outside of the rational actor paradigm. Instead, they acknowledge the existence of multiple types of elite actors as well as multiple types of opposition actors. Elites within the regime are categorized as either “hardliners,” who support the regime and the status quo, and “softliners” who are participants in the regime but are willing to negotiate with the opposition and accept changes to the status quo in the form of liberalization and democratization. In the opposition, actors can either be “radicals,” who will not agree to work with the regime in power to reform the political system, or “moderates,” who are willing to negotiate with the regime and accept the role of members of the regime in creating a new political system.23 According to O’Donnell and Schmitter, reform is most likely when softliners gain power in the regime and are able to create a coalition with moderate opposition members.24 The support of the opposition gives credibility to softliner reform efforts, while moderates gain access and power in the political system by allying with reformist elements in the regime.25 This relationship between softliners and moderates is descriptive of the relationship between Burma-Myanmar’s President Thein Sein and the face of the opposition, Aung San Suu Kyi.

In the case of Burma-Myanmar, observers are mostly in agreement that the actor-centered approach best explains the current political reform. Emphasis on actor-centered models of democratic transition in the case of Burma-Myanmar’s political reforms is not to say that the structure of the international system is irrelevant. International actors can indeed play a significant role in democratic transition, however, their role is mainly through influence on domestic elites. Tolstrup argued in his article “Leverage, Linkages, and Gatekeeper Elites” that international actors have a varying degree of influence over regime type based on the amount of access allowed to them by elites known as “gatekeepers.” This research will argue that the reformist coalition of regime softliners and opposition moderates have acted as more open gatekeepers as their power increased, eventually allowing an unprecedented amount of influence from pro-democracy international actors that currently helps to sustain and continue political reforms, although the initial effort to reform came from within.

Democracy in Southeast Asia

In order to fully understand the current political reform in Burma-Myanmar, and the absence of such a movement in Vietnam, democracy and political change must be viewed within regional context. In recent decades, Southeast Asia’s growing economic power and international prominence has occurred amidst a number of different political environments. In William Case’s book, Politics in Southeast Asia: Democracy or Less, he states that even more important to producing the diverse political landscape of Southeast Asia than economic trends, international

24 Ibid.
25 Ibid.
pressures, social and cultural factors, and colonial history is domestic leadership agency.\textsuperscript{26} Structuralist and modernization theories, says Case, expect democratization en masse in Southeast Asia, while “culturalist” theories argue that underlying systems of values between leadership and society implicit in Southeast Asian cultures will delay or even prevent democratic systems of government in the region.\textsuperscript{27} However, according to Case, these arguments do not explain the diversity of political regimes in the region as well as democratic elite theory.

Democratic elite theory holds that the actions of elites within a state are crucial to determining regime type in a given state, including democracy. Case hypothesizes that elite action, along a continuum of cohesion to disunity, produces either a stable or unstable regime, respectively.\textsuperscript{28} A stable regime can exist along the spectrum of autocracy-democracy, depending on the level of participation of the masses; a stable autocracy led by unified elites can likely delay or prevent the rise of a participatory public if they perceive this as their best interest. On the other hand, an unstable regime in which elites compete more than cooperate leads to an unstable regime. An unstable authoritarian regime may see a revolving door of totalitarian leaders, seen in Thailand’s various military coups between 1932 and the 1970s, while an unstable democracy may be the result of an assertive society clashing with elites unable to cooperate to maintain power, demonstrated in the Philippines in the 1980s and Thailand in the 1970s.\textsuperscript{29}

Elite action is critical to the examination of the political environment of Burma-Myanmar and Vietnam. In Burma-Myanmar, military elites managed a relatively high level of stability of power despite a strong opposition movement within the country through a strong united front. Although some regime elites are now emerging as “liberals”—and claiming that they always have held such political leanings—it is clear that such actors previously fell in line with authoritarian leaders out of fear of reprisal and a sense of obligation to the military government.\textsuperscript{30} As Burma-Myanmar undergoes political transition to quasi-civilian rule, new elites have been allowed to participate in the political structure. While the power of new elites is limited, a combination of cooperation and challenge from the rising opposition to the old regime has led to a delicate balance of stability and political change. In Vietnam, the expansion of the Communist Party to include rising elites from the private sector in the early 1990s, discussed later in this paper, ensured some degree of unity and cooperation among elites, preventing instability and the rise of a participatory public.

The Political Progression of Burma-Myanmar and Vietnam: 1960s-2013

\textsuperscript{27} Ibid, 24.
\textsuperscript{28} Ibid, 24.
\textsuperscript{29} Ibid, 25.
The 1960s: Burma’s Military Coup and the War in Vietnam

Burma’s Military Coup

Before World War II, Burma-Myanmar was the best-performing economy in Southeast Asia. Burma’s GDP per capita was much higher than its neighbor Thailand, which has since taken Burma’s place as the region’s leading rice exporter in addition to boasting a per capita GDP over ten times higher than Burma-Myanmar’s in 2009.31 Both as a part of India from the early nineteenth century through the 1930s and as its own separate colony from 1937 to 1948, Burma was one of the most economically advanced and prosperous countries in the region, the world’s largest rice exporter, and boasted a highly literate population, even in the frontier states.32 The destruction of World War II was a major setback for the Burmese economy, and, due to political instability, the young government was quickly overwhelmed.

Following independence from British colonial rule in 1948, Burma was initially a fledgling democracy. Under British colonial rule, the “frontier states,” primarily occupied by various ethnic groups, were administered separately from Burma as a whole.33 Upon national independence, the frontier states were denied their own independence and resented what ethnic groups saw as subjugation to Burman rule.34 National independence hero Aung San was able to gain the confidence of some ethnic groups through the Panglong Agreement, which granted the Shan, Kachin, and Chin statehood and the right to secede after ten years should democratic rule fail to live up to expectations.35 Aung San’s assassination on the eve of independence, however, cast doubt and uncertainty over the agreement, while other minority states that had no such agreement in the first place were left discontented and untrusting of the new Burmese democracy. Karen State, the first to attempt secession, had an armed insurgency for independence as early as 1949.36 In addition to despondent ethnic minority groups, Burma was further destabilized by communist insurgencies in the northeast.37

Political instability brought about by a division of the ruling Anti-Fascist Peoples’ Freedom League was a serious detriment to the authority of Burma’s first Prime Minister, U Nu. Although U Nu had ruled somewhat successfully since 1948, his stay as prime minister prompted political rivals to fracture the ruling coalition in an effort to oust U Nu from power in 1958.38 Instead, the embattled leader ceded power to the Head of the Armed Forces, General Ne Win, in 1958.39 Ne Win ruled at the head of the military for eighteen months before handing power back to U Nu following the 1960 elections. While Ne Win had been insistent in 1960 on

32 Ibid.
33 Smith, 1999.
34 Ibid.
35 Ibid.
36 Ibid.
38 Ibid.
39 Ibid.
return to civilian rule, the subsequent actions of U Nu on upon his return to office would antagonize the army and inflame national instability, prompting the 1962 military coup.40

Prompted by serious instability in the state brought about by full-scale rebellion in Karen State, the seeds of rebellion in other frontier states, lack of political authority, and the infringement of Burmese territory in the Northeast by retreating Chinese Nationalists (KMT), which democratic Burma had resoundingly failed to deal with, the military seized power in a coup in 1962.41 Although initially taking power to restore stability, Ne Win and the Revolutionary Council soon shifted to more ideological rhetoric and planned to implement sweeping institutional reforms to prepare the country for “socialist democracy.”42 Under the military’s “Burmese Way to Socialism” nearly all industries were nationalized under the government’s iron-like grip.43 The military subsidized food in urban centers by seizing land and forcing peasants to sell their crops at low, fixed prices. Many peasants that formerly grew crops to sell at market price were pushed into subsistence farming, causing widespread rural suffering. Foreign firms were seized and nationalized, foreign aid and religious organizations were expelled, and the military all but closed off the country from the outside world. Foreigners were kept out of the state, Burmese citizens were severely restricted from traveling, and information and media was cut off to the general population.44

When the military annulled the secession rights granted in the Panglong Agreement, Chin, Shan, and Kachin State attempted to secede in rapid succession.45 The military sent troops into each state to preserve the national territorial integrity and return stability, but the state wars for independence would last for many decades. Each of the seven main minority ethnic groups in peripheral states has seen at least one armed insurrection since 1948.46 The military was soon fighting multiple insurgencies in border states in addition to dictating the country’s political structure and economic policies.

The War in Vietnam

While Burma-Myanmar faced problems with uniting the frontier states under the Burmese government, Vietnam struggled to unite the northern and southern territories of its state. Following World War II, a botched deal for independence in Vietnam lead to the outbreak of war in the former colony between Ho Chi Minh’s nationalist forces, fighting for self determination, and the French, clinging to the remains of empire.47 The Vietminh—the military wing of the Communist Party—based in the North had gathered support from Vietnamese nationalists by organizing to resist the Japanese occupation during World War II. After the

40 Ibid.
41 Ibid.
42 Bertrand, 2013, 197.
44 Bertrand, 2013, 198.
45 Smith, 1999.
46 Ibid.
47 Bertrand, 2013, 151.
Japanese surrender in 1945, the Ho Chi Minh took power and declared independence, with no opposition for rule.\textsuperscript{48} The French responded by launching a campaign to reclaim all of Vietnam, not just the South where the Communists were not in control.\textsuperscript{49} The First Indochina War concluded with the Geneva Conference in 1954, temporarily creating North and South Vietnam and putting in place national elections to reunite the country and decide the future system of government.\textsuperscript{50}

Although Ho Chi Minh was confident that national elections would unite the country under communism, a movement emerged in the southern half of the state against Vietminh rule in the mid-1950s. Ngo Dinh Diem, an anti-communist Catholic, established a separate state in Vietnam in 1955—The Republic of Vietnam—and declared himself the first president. With the support of the United States, Diem renounced the Geneva agreements from the previous year and the proposed national elections for unification. For Ho Chi Minh, who would lead the effort to unite Vietnam until his death in 1969, nationalism and communism were deeply intertwined, as was a united Vietnam.\textsuperscript{51}

As Diem attempted to suppress the communist movement in the South by persecuting, sometimes even executing communist supporters, communists in the North supported the creation of an insurgency movement in the South, the National Liberation Front (NLF) to resist Southern rule.\textsuperscript{52} As the war escalated in the early 1960s, the United States became increasingly involved in protecting and supporting South Vietnam. Engagement in Vietnam became a priority for the United States because of the domino theory; if the spread of communism could not be contained in Vietnam, US policymakers worried it would spread to the rest of the region. American advisors first entered the conflict in 1954 with only 1,000 advisors, increasing to 5,000 in 1960.\textsuperscript{53}

While Diem’s regime supported a capitalist economic system, he proved to be a brutal dictator. With growing political instability, Diem’s authority deteriorated until he was assassinated in a coup by South Vietnamese generals in 1963. A series of military governments took control in South Vietnam, as US engagement continued to escalate. In 1965, the US began a massive bombing campaign against North Vietnam. By 1968, 500,000 American troops were in Vietnam.\textsuperscript{54} Despite inflicting massive casualties in the North, US soldiers were unprepared for guerilla war and, after the 1968 Tet Offensive in which Northern forces attacked every major city and town in the South, troops grew frustrated and demoralized.\textsuperscript{55}

Ho Chi Minh did not live to see a united Vietnam. His death in 1969 led to collective leadership of the Communist Party, led by Le Duan. While resolve among North Vietnamese

\textsuperscript{48} Ibid, 151.
\textsuperscript{49} Ibid, 151.
\textsuperscript{50} Dayley and Neher, 2010.
\textsuperscript{51} Ibid, 219.
\textsuperscript{52} Ibid, 220.
\textsuperscript{53} Ibid, 220.
\textsuperscript{54} Ibid, 221.
\textsuperscript{55} Ibid, 221.
communists were hardened by their leader’s death, the will to continue the war was waning in the US. Domestic opposition to the Vietnam War rose as the death toll of US soldiers soared through the end of the 1960s. When the US and South Vietnam invaded Cambodia to prevent North Vietnamese troops from accessing sanctuary there, the region was plunged into turmoil, while demonstrations against the war in the US reached new heights. By the 1970s, President Nixon implemented a policy of “Vietnamization” in order to hand the responsibility of the conflict fully over to the South Vietnamese. In 1973, the US signed a peace treaty; North Vietnam agreed to a ceasefire and the US agreed to withdraw its troops. After over one hundred billion dollars and fifty-eight thousand soldiers’ lives lost in the conflict, not to mention countless Vietnamese casualties, the United States ceased its engagement in Vietnam.

The 1970s: Socialism in Burma, Unification in Vietnam

Socialism in Burma

As mentioned in the introduction, the Burmese military created a new constitution to formalize socialist-military rule. The 1974 Constitution created a one-party state under the military-backed Burmese Socialist Programme Party (BSPP). The unicameral legislature, the People’s Assembly, created a façade of representation while the military retained full power through the constitutionally-established Council of State under Chairman Ne Win. Equally symbolic as the “People’s Assembly” was the new status of ethnic minority states. The 1974 Constitution created seven states and seven divisions—all allegedly of equal status—with majority Burman populations residing in the inner districts and the ethnic minority populations in the seven outer states. However, federalism was all but abandoned, leaving ethnic minority groups in the outer states under the control of the Burman central government and with less power than ever before.

The opposition to military rule became more organized in the mid-1970s. For the first time, ethnic militias joined with ethnic majority Burman political dissidents to oppose socialist economic policies and heavy-handed governance. Student-led protests and urban riots focused on the high cost of food and basic needs. Ne Win’s government repressed protests, arresting students, closing universities, and even killing some protesters.

Recognizing political instability, BSPP eventually acquiesced to some economic reforms by the end of the 1970s, resulting in a near doubling of economic growth rates between 1970-74 and 1975-80. Economic reforms included accepting assistance from the World Bank, allowing some foreign trade, the use of new, high-yield rice seeds in agriculture, and the exploitation of

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56 Ibid, 221.
57 Ibid, 221.
58 Ibid, 221.
59 Bertrand, 2013, 197.
60 Ibid, 197.
61 Ibid, 197.
newly discovered oil deposits.\textsuperscript{63} By the end of the 1970s, rates of growth caught up to pre-World War II levels and growth continued through the early 1980s.\textsuperscript{64}

\textit{Unification in Vietnam}

In 1975, North Vietnam overtook its southern counterpart. After three decades of war and over two million fatalities, Vietnam was united under one government, the Socialist Republic of Vietnam.\textsuperscript{65} Seeking to consolidate its power over the whole country, the Communist Party of Vietnam (CVP) imposed communism in the South. Policies that had long existed in the North, including collectivized agriculture and nationalized industry, were met with resistance in the South, where capitalist economics had been in place for decades. “Re-education camps” were constructed to indoctrinate former supporters of South Vietnam, where 2.5 million Vietnamese citizens were sent through the 1990s.\textsuperscript{66} The communist’s new economic program decimated the savings of shopkeepers and businesspeople, and attempts to collectivize agriculture among the middle class farmers of the fertile Mekong Delta were met with extreme resistance.\textsuperscript{67} Waves of refugees fled Vietnam in the late 1970s, with over one million people fleeing persecution and poverty in Vietnam by boat by 1980.\textsuperscript{68}

Vietnam attempted to follow the Soviet model for industrialization, but although the USSR provided limited aid for the newly united regime, central planning was not easily managed. Standards of living across the country decreased due to poor macro-economic planning and serious production and distribution problems.\textsuperscript{69} Vietnam’s economy crumbled, leaving standards of living even lower than those before the Vietnam War and the economy hardly more advanced than that of colonial Vietnam under the French.\textsuperscript{70} After decades of war, the Vietnamese people were exhausted and the economic system was on the brink of collapse.

In addition to economic problems, Vietnam also faced obstacles on the international stage. The country was somewhat cut off from the world following the Vietnam War and subsequent invasion of Cambodia. Relations between the two countries grew sour as Pol Pot’s Khmer Rouge engaged in several border disputes with Vietnam, killing hundreds of Vietnamese in Cambodian territory.\textsuperscript{71} With the Soviet Union’s blessing, Vietnam invaded Cambodia in 1978 to stop Pol Pot’s vicious regime and restore order and security.\textsuperscript{72} Vietnam set up a government under a Vietnamese-trained Cambodian, Heng Samrin.\textsuperscript{73} The communist Khmer Rouge regime

\textsuperscript{63} Ibid, 198.
\textsuperscript{64} Ibid, 198.
\textsuperscript{65} Dayley and Clark, 2010, 222.
\textsuperscript{66} Ibid, 222.
\textsuperscript{67} Bertrand, 2013, 153.
\textsuperscript{68} Dayley and Clark, 2010, 223.
\textsuperscript{69} Bertrand, 2010, 155.
\textsuperscript{70} Dayley and Clark, 2010, 223.
\textsuperscript{71} Bertrand, 2010, 174.
\textsuperscript{72} Dayley and Clark, 2010, 223.
\textsuperscript{73} Ibid, 223.
under Pol Pot had close ties to the communist regimes in China and North Korea. In response, China invaded Vietnam in 1979 to force Vietnam’s withdrawal. China’s attack was short-lived, and Vietnamese troops remained in Cambodia.

The United States obviously opposed a communist Vietnam, and the Vietnamese invasion of Cambodia in 1978 made Vietnam enemies in Southeast Asia, particularly in the anti-communist ASEAN states, at the time consisting of Thailand, Malaysia, the Philippines, Singapore, and Indonesia, all of which faced domestic communist insurrections. China also opposed Vietnamese intervention in Cambodia, prompting the 1979 Chinese invasion of Vietnam and ensuing animosity. Vietnam’s treaty of friendship with the USSR gave the state some international support, however, the disintegration of the Soviet Union beginning in the late 1980s left Vietnam little choice but to change its foreign policy orientation. Vietnam’s foreign policy re-orientation was facilitated by pressure from the ASEAN Six, working with the U.S. and China, to pressure the country to leave Cambodia. Upon its withdrawal from Cambodia in 1989, the international community became more receptive to engagement with Vietnam.

The 1980s: Backlash in Burma and Reform in Vietnam

Backlash in Burma

The early 1980s continued the positive economic growth achieved in the late 1970s. However, by 1985, Burma’s economy was contracting at a rate of -2.2 percent between 1985 and 1990, at a time when neighboring Thailand was growing at a rate of 9 percent, and Vietnam reached a GDP growth rate of 4.3 percent. Economic mismanagement and failed socialist policies took a toll on the economy, while a trade deficit and high levels of debt from Japanese foreign assistance loans contributed the economic strain. By 1987 the country was designated a “least developed country.” A lack of consumer goods in the country created a massive black market, where currency was exchanged at rates fifteen times official figure by 1992. The regime responded by demonetizing its currency to combat the growing black market, however, high inflation forced citizens to turn to the black market for basic needs.

Meanwhile, political dissidents grew increasingly vocal and assertive. Independence hero Aung San’s daughter, Aung San Suu Kyi, who had recently returned to Burma from the United Kingdom, emerged as a powerful charismatic leader for the opposition. Student-led

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74 Bertrand, 2013, 173.
75 Dayley and Clark, 2010, 223.
77 Ibid.
78 Bertrand, 2013, 36.
79 Ibid, 198.
83 Ibid.
protests broke out in the spring of 1988, with increasing numbers of protesters demanding multi-party elections and an end to military rule. Protests continued for several months, culminating in Ne Win’s resignation in July 1988. Ne Win’s replacement, however, was not able to stabilize the country. Instead, a faction in the military under General Saw Maung launched a coup in September 1988, declaring rule under the State Law and Order Restoration Council (SLORC). The military arrested thousands of demonstrators, and slaughtered hundreds of protesters in the streets.

The international community was shocked by the military’s actions. Japan and other donors scaled down foreign aid. The United States, along with its allies in Europe, quickly imposed economic sanctions, including visa bans, restrictions on financial services, prohibitions of Burmese imported goods, bans on investment, and foreign aid constraints, attempted to punish the Burmese government until it agreed to political reforms. China stepped in to fill the gap in assistance aid and rapidly became the regime’s strongest supporter, providing economic and military support and strengthening what would become the most important relationship to the Burmese military regime.

Although the military junta was now notorious on the international stage, SLORC recognized the state’s need to repair its battered economy. The new regime attempted to implement economic reforms originally proposed by Ne Win, including opening foreign investment opportunities in natural resource industries, allowing the establishment of private business, reform of the financial sector, and the regularization of border trade. However, as the regime attempted to open Burma-Myanmar’s economy to the international system, the country faced increasing sanctions and disengagement. In order to improve their standing on the international stage, military leaders decided to allow elections in 1990.

Reform in Vietnam

By the 1980s, Vietnam’s economy was suffering. Vietnam had the second lowest GDP per capita in Southeast Asia, following Cambodia. Inflation was in double digits and poverty stood at over sixty percent. By the convening of the Sixth Congress, party leadership was ready for change. In the mid-1980s, a new groups of reformers came to power that was ready to change Vietnam’s course, led by the new General Secretary Nguyen Van Linh.
Upon his ascension to leadership in 1986, Nguyen Van Linh stated that, “our conception of socialism has been simplistic and unrealistic.” After the meeting of the Sixth Congress’s Second Plenum in April, economic reforms began to roll out. Reforms, known as doi moi, would introduce capitalist elements into the Vietnamese economy in order to spur growth. First, economic planning transitioned to a system of “socialist accounting,” through which the CPV used real prices for economic decision-making rather than the previously used “indicators.” Subsequent reforms reduced government expenditures, the creation of the country’s first commercial bank, and the encouragement of private business and “openness to capitalist countries”—initially South Korea, Japan, Hong Kong, Australia, and France. A new foreign investment law in 1987 allowed foreign companies one hundred percent ownership in businesses, along with generous tax incentives. By 1989, the CPV de-collectivized agriculture and dismantled the pricing system in favor of market-based prices. These reforms of the economic system would lead Vietnam to high rates of GDP growth by the 1990s.

Initially, reformers in the 1987 Sixth Congress included limited measures to increase political transparency and freedom of expression, in order to encourage citizens to speak up about inefficiencies and corruption in state-owned enterprises. Although doi moi reforms were successful and won over the hardliners of the CPV, the modest political reforms were rejected by the Seventh Congress in 1991, largely due to fears of popular uprising based on neighboring Burma and China’s 1988 and 1989 political protests, respectively. Economic change has come at the expense of civil and political reform, and while the population has largely been pulled out of poverty, CPV rule remains a closed regime with serious restrictions on civil rights and political liberties.


Sanctions in Burma-Myanmar

The 1990s

The 1990 elections held by the SLORC were initially a strategy by the military to improve Burma-Myanmar’s reputation on the global stage. This strategy proved a serious miscalculation by the regime. Aung San Suu Kyi, general secretary of the main opposition party, the National League for Democracy (NLD), garnered a great deal of popularity and acted as a unifying force among different opposition groups. Threatened by her growing popularity, the military placed Aung San Suu Kyi under house arrest prior to the elections in 1990. Even so, the outcome of the elections was clear: the NLD won in a landslide with over eighty percent of

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94 Ibid.
95 Bertrand, 2013, 158.
96 Ibid, 158.
98 Bertrand, 2013, 198.
99 Ibid, 201.
the popular vote. Rejecting the results of the election, SLORC remained in power and continued to hold Suu Kyi under house arrest. General Than Shwe became chairman of the military’s ruling council—rebranded once again as the State Peace and Development Council (SPDC)—in 1992 and consolidated power in the regime. Than Shwe was a political cutthroat, eliminating his competition and centralizing power for himself, essentially becoming the head of state and military dictator of the Union of Myanmar.

Despite the deplorable human rights record of the SPDC and its predecessor SLORC, the regime under Than Shwe made progress on peace with the border states. By creating what Richard Snyder called an “extraction framework,” the government granted some militias in the border states limited autonomy and the right to carry arms in exchange for assistance in fighting other rebel groups and for a portion of the profits from illicit trade. This tactic worked particularly well in Shan State, where most of the country’s poppy growing and trafficking takes place; the military government proceeded to make considerable gains from the profits of drug trafficking through the 1990s. In Karen State, several decisive victories over the Karen National Union drove the group over the border to Thailand and quelled the violence in the eastern state.

Also, despite continued economic and diplomatic sanctions from the West, Burma-Myanmar made considerable economic progress under the SPDC as policies shifted away from socialism and toward capitalism. The country found an array of partners willing to forego sanctions in order to build a relationship with Burma-Myanmar, including China, India, and the ASEAN countries. Foreign investment—only 280 million dollars in 1990—increased to one billion dollars by 1994-95. One of the most important factors in Burma-Myanmar’s economic rise was the country’s membership in the Association of Southeast Asian Nations (ASEAN). Burma-Myanmar’s membership began in 1997, bringing the western-most Southeast Asian nation into a hugely diverse group of states with vastly different government systems and levels of economic development. Although Burma-Myanmar’s population remained the poorest in Southeast Asia, with a GDP per capita lower than that of Laos in the 1990s, economic growth rates were the highest in Southeast Asia from 1995-1999.

The 2000s

The 2000s saw the early stages of planning for future democratic transition. Beginning in 2004, the military under Than Shwe began devising a “Roadmap to Democracy.” While the military ruled Burma-Myanmar with an iron fist for over six decades, the official rhetoric began

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100 Ibid, 201.
102 Ibid.
104 Ibid.
105 Smith, 1999.
106 Bertrand, 2013, 201.
107 Ibid, 36.
to shift toward democracy in the mid-1990s. In addition to handpicking his successor and designing the democratic transition that occurred after his retirement, Than Shwe espoused ideals of a “roadmap to discipline-flourishing democracy” and creating a “modern, developed, and democratic state.” Although the military was certainly pursuing power and self-interest for much of its five decades of rule, there was an underlying justification for military rule that the military would return power to civilians after stability was restored. While the same domestic elites that have been in power for decades are responsible for the reforms seen in Burma-Myanmar in the last three years, an international system of incentives and pressures for democratization helped to produce the political will for reform.

A number of international factors emerged by the late 2000s that would prompt elites in Burma-Myanmar to enact political reforms. The events of 2008 would prove a decisive factor in determining Burma-Myanmar’s political development in the next decade. The events of the humanitarian disaster following Cyclone Nargis were a crucial point in prompting ASEAN to pressure Burma-Myanmar into reform. In the same year, the election of a new president in the U.S., open to extending a hand to Burma-Myanmar in exchange for political reform provided additional incentives for reform. Additionally, overreliance on China as Burma-Myanmar’s main international ally through the 1990s and early 2000s prompted elite concerns about China’s growing power and influence, and created a desire to diversify trading partners and integrate into the global economy.

Burma-Myanmar’s membership in ASEAN was a crucial factor in encouraging political reform. While it was far from the only Southeast Asian state with a reputation for autocracy and human rights issues, Burma-Myanmar was one of the worst culprits. It soon became clear that ASEAN’s regional objectives—increased trade and economic development, regional security, and a cohesive, internationally respected ASEAN community—required Burma-Myanmar to move away from the status quo.

While ASEAN normally operates on principles of consensus building and unanimous decision-making, there was a clear divide among the member states in regard to Burmese relations. While other non-democracies, namely Laos, Vietnam, and Cambodia, touted the “ASEAN Way” to oppose efforts to encourage Burmese political and economic reform, more liberal members, most notably Indonesia, favored reform efforts that would consider human rights and democracy. While the non-democracies won the diplomatic struggle for many years, gentle nudging toward reform would win out in the long term.

In the wake of the Asian Financial Crisis in 1997 ASEAN adopted a more hands-on approach of “Flexible Engagement,” which involved the discussion of Burma-Myanmar’s

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current situation as the first steps toward encouraging reform.\textsuperscript{111} The policy changes were brought about by a rising fear of Chinese influence in the region via Burma-Myanmar, frustration with the slow pace of reforms, and the damages Burma-Myanmar was bringing to ASEAN’s international reputation.\textsuperscript{112} Actions such as the ASEAN foreign ministers’ request to release democracy leader Aung San Suu Kyi from house arrest in 2003 and the denial of the revered position of ASEAN chair in 2006 characterized the initial push for change.\textsuperscript{113} However, Burma-Myanmar received mixed messages from various ASEAN members ranging from near condemnation and threat of disengagement from Indonesia and Singapore, to acceptance and support as members of the “ASEAN family” from Cambodia and Laos. Official statements from ASEAN, while often supporting reform, came in the form of suggestions and did not carry the weight of consequences.

Into the late 2000s, however, Burma-Myanmar continued to show no willingness to allow interference in its domestic political affairs, even from its ASEAN brethren.\textsuperscript{114} The drawn out process of disaster relief in the aftermath of Cyclone Nargis—a major disaster that left over one hundred thousand people dead in Burma-Myanmar and during which the military junta initially denied access for humanitarian relief from abroad—eventually led to ASEAN control of emergency relief efforts.\textsuperscript{115} It was a diplomatic battle fought tooth-and-nail for the government to allow the first ever deployment of the ASEAN Emergency Rapid Assessment Team to aid the government’s botched efforts to provide targeted relief to survivors, but one that opened a door for greater ASEAN influence in Burmese foreign policy.

Human rights and democracy have long been at the forefront of US political decision calculus regarding Burma-Myanmar. The complex web of sanctions imposed on the country since the 1988 government crack-down, included visa bans, restrictions on financial services, prohibitions of Burmese imported goods, bans on investment, and foreign aid constraints, were designed to force Burma-Myanmar into political reform.\textsuperscript{116} Making Burma-Myanmar an international pariah, however, did little to change the military junta’s practices; US Assistant Secretary of State Kurt Campbell reported to Congress in 2009 that sanctions posed only a “modest inconvenience” for the military government.\textsuperscript{117} In 2007, Derek Mitchell and Michael Green argued that sanctions have not worked in Burma-Myanmar because of “enablers” like China, India, and the ASEAN states that continue to trade and engage with the state.\textsuperscript{118} Instead, the pair suggested a new approach that requires the coordination of key stakeholders—ASEAN,

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\begin{enumerate}
\item Acharya, 2012.
\item \textit{Ibid.}
\item \textit{Ibid.}
\item \textit{Ibid.}
\item \textit{Ibid.}
\item Steinberg, 2010.
\item Tonkin, Derek. “Suu Kyi is fighting, but for how long?” \textit{Democratic Voice of Burma}, February 11, 2011.
\item Green, Michael and Mitchell, Derek. “Asia’s Forgotten Crisis: A New Approach to Burma.” \textit{Foreign Affairs} 86, 6 (2007): 147-158.
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Japan, India, China, and the U.S.—to enforce a coherent strategy toward encouraging reform in Burma-Myanmar that represents a compromise between punishment and constructive engagement.\textsuperscript{119} In the last several years, US tactics have shifted, based on both evolving global interests and the dissolution of the military government in favor of a civilian one.\textsuperscript{120} While human rights and democracy are still very much a part of US-Burmese relations, US objectives now also include trade relations, maritime security, and geostrategic balancing against China.

With the inauguration of President Barack Obama in 2009, the United States embarked on a new era of foreign policy. The new president began a strategic rebalancing of foreign policy that would shift focus and attempt to increase US influence in arguably the world’s the most important rising economic region: East Asia. As an integral part of the new foreign policy focus, the US has made serious efforts to engage with ASEAN, including its most difficult-to-reach member, Burma-Myanmar.\textsuperscript{121} Policy change began in the Bush administration, when officials began to rethink the effectiveness of economic and diplomatic sanctions on Burma-Myanmar.\textsuperscript{122} Bush raised the issue of Burma-Myanmar with other heads of state at the APEC summit in November 2005 and included Burma-Myanmar on the US-China bilateral agenda.\textsuperscript{123}

The Obama administration began a policy of limited engagement. The engagement strategy was not willing to put human rights and democracy completely out of the picture. Instead, the US pursued a strategy of “extending an open hand” by offering the incremental reduction of sanctions in exchange for incremental political and economic reform. Secretary of State Hillary Clinton announced intentions to engage with the Burmese military government as early as 2009, before the release of Aung San Suu Kyi, but after the 2008 Constitution for civilian government was approved by popular referendum.\textsuperscript{124}

A final actor of great importance to setting the stage for Burma-Myanmar’s reform in the 2010s is its domineering neighbor to the north: China. Since 1988, China has been one of the most influential countries in Burmese affairs, seeking involvement in the country for the purposes of resource exploitation, namely energy, minerals, and strategic access to the Indian Ocean.\textsuperscript{125} These interests came together to create a close, favorable relationship with Burma-Myanmar for many years, until concern over a rising China, as well as rising anti-Chinese popular sentiment, led Burma-Myanmar to make efforts to externally balance against its northern neighbor.

Chinese-Burmese relations have been and remain favorable for both countries; China needed access to resources, a geostrategic connection to the Indian Ocean, and greater energy

\textsuperscript{119} Ibid.
\textsuperscript{122} Green & Mitchel, 2007.
\textsuperscript{124} “Burma Profile.” \textit{BBC News}, April 2, 2013.
security, while Burma-Myanmar needed trade relations with a major power that would not try to meddle in its internal affairs. China’s “Five Principles of Peaceful Coexistence” espouses non-interference in the internal affairs of other sovereign states, easing the fears of postcolonial Burmese elites about foreign states attempting to alter domestic politics and facilitated close economic, diplomatic, and security relations.\(^{126}\) China-Burma trade totaled 4.4 billion dollars per year as of 2010, and continues to grow as China invests in trade-facilitating infrastructure including roads, railways, and potential oil pipelines across the country that would link southern China to significant energy resources from the Indian Ocean.\(^{127}\) Chinese investors found favorable conditions in Burma-Myanmar for mines, hydropower dams, and other large-scale projects.\(^{128}\) In turn, China has long supplied weapons and military equipment to the junta, one of the Burmese government’s only available suppliers.\(^{129}\) In the aftermath of US sanctions in 2003, China supplied Burma-Myanmar with a 200 million dollar loan to assuage the damage.\(^{130}\)

However, the two countries’ relations grew rocky in the late 2000s. As China rose to become the second largest world economy, it became apparent that Chinese-owned extractive industries in Burma-Myanmar benefited the Chinese far more than the local people. Fear of too much Chinese influence was apparent in ASEAN, an opinion shared by some of the political elite. In addition to elite opinion, popular resentment of Chinese immigrants in Burma-Myanmar is growing. Chinese immigrants make up over three percent of Burma-Myanmar’s population, and most businesses in major cities are connected to “some from of Chinese investment,” leading to resentment from Burmese citizens who feel pushed out the business sector.\(^{131}\) In addition to resentment in urban areas, most ethnic groups resent China’s economic and military support of the previous military regimes that crushed ethnic rebellion.\(^{132}\) Popular resistance to Chinese megaprojects like the Myitsone Dam in Kachin state due to human rights abuses cast a negative international spotlight on China-Burma relations, and as Burma-Myanmar moved toward reform and engagement with ASEAN, India, and the West, its efforts to stem Chinese influence became apparent with the suspension construction of several Chinese projects.\(^{133}\)

Strategic rebalancing to prevent dependence on China is a strong contributing factor for elite support for political reforms in Burma-Myanmar. China is actually responsible for the reforms only to the extent that Burma-Myanmar, and notably Burma-Myanmar’s allies in ASEAN, began to express concern over excessive Chinese influence in the country.\(^{134}\) A move toward democracy meant a move toward better relations with the major powers of the West,

\(^{126}\) *Ibid.*  
\(^{128}\) Vaughn, 2006.  
\(^{129}\) *Ibid.*  
\(^{130}\) *Ibid.*  
\(^{131}\) “China’s Myanmar Dilemma.” (2009)  
\(^{134}\) Acharya, 2012.
particularly the United States, as a source of foreign direct investment, trade partner diversification, and as potential external balancing partners against its closest friend.

**Development in Vietnam**

By the Seventh Congress in 1991, political leaders rolled back the modest political reform and further cemented the place of the Communist party at the center of Vietnamese life and government, all while continuing policies of economic liberalization under the guise of “market mechanism economy”—capitalism by another name.\(^{135}\) Do Muoi replaced Nguyen Van Linh as secretary general of the Politburo, a neo-conservative rather than a reformer, although more known for his ability to mediate and balance various factions of the CPV than as a member of any one ideological group.\(^{136}\)

In addition to further economic reforms, the 1990s brought about a change in Vietnam’s status on the international stage. Reformers in the late 1980s embarked on a redirect of foreign policy, away from alignment with the Soviet Union and toward a “multi-directional foreign policy.”\(^{137}\) In late 1991, the Cambodian peace agreement led to a thawing of relations between China and Vietnam, and to the beginning of US-Vietnamese reconciliation. A negotiated settlement was seen as necessary to reformist leaders in Vietnam seeking to advance their economic agenda.\(^{138}\) Relations with China were normalized in 1991, leading to a boom in trade between the two countries.\(^{139}\) Japan, another major investor, began giving Vietnam official development assistance in 1992. The United States and Vietnam normalized relations in 1995, with domestic parties on both the right and left in the United States eager to tap into Vietnam’s now growing market and willing to overlook the trade-offs of communist rule.\(^{140}\) Vietnam also entered into a formal “framework” for trade and diplomatic relations with the European Union in the same year.

One of the most important changes in Vietnam’s foreign relationships was the admittance of the state into ASEAN in 1995. Vietnam’s Southeast Asian neighbors were some of the state’s largest investors at the time, funding $3.2 billion worth of projects in 1995 and $4.6 billion by 1996.\(^{141}\) ASEAN, as well as international bodies like the United Nations Development Program assisted Vietnam in transforming its legal system and economic environment to better integrate into ASEAN and the global economic community.\(^{142}\) Membership helped to improve Vietnam’s reputation, greatly improve trade conditions between Vietnam and the other ASEAN states, and better the state’s bargaining power with larger states, including the United States and China.

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\(^{135}\) Pike, 1991.

\(^{136}\) Ibid.

\(^{137}\) Ibid.

\(^{138}\) Ibid.


\(^{140}\) Dayley and Clark, 2010, 225.

\(^{141}\) Thayer, 1997.

\(^{142}\) Ibid.
By the end of 1996, Vietnam had established diplomatic ties to 169 states, up from 23 non-communist states with diplomatic relations in 1989.\textsuperscript{143} In 2006, Vietnam achieved the pinnacle of economic reform success: membership in the World Trade Organization.\textsuperscript{144} Since the United States sent its first ambassador to Vietnam since the war in 1997, the two countries have had strong ties. A bilateral trade agreement was signed in 2001, and Vietnam leans on the United States when dealing with issues in the South China Sea.\textsuperscript{145} Vietnam’s ability to integrate successfully into the international system sets the state apart from its Burmese counterpart; Burma-Myanmar had to change before being accepted by the international system, prompting the current democratic transition. Vietnamese elites, however, have no incentive to make such changes.

**Burma-Myanmar’s Ongoing Transformation, Vietnam’s New Challenges & Opportunities**

*Burma-Myanmar’s Ongoing Transformation*

Burma-Myanmar’s political transition unfurled in 2011 was mainly a result of domestic elite calculations of international incentives and pressures. The most important aspect of bringing political change was gathering the support of the military. The status of the Tatmadaw’s grasp on power in Burma-Myanmar in the twenty-first century is complex. The military was certainly the undisputed power center of the state, with most ethnic minority militias either critically weakened or cooperating with the regime, and popular dissent combated as recently as the Saffron Revolution in 2007.\textsuperscript{146} However, in an international context, the military faced challenges to continued development. According to Jacques Bertrand, the military, by as early as 2002, was under strain:

“Years of economic sanctions now took their toll. Foreign investments had all but dried up. The value of the Myanmarese currency had fallen. The economic growth that had begun to appear in the early 1990s soon waned. Inflation reached 60 per cent. External debt ballooned. The state’s taxation revenue steadily declined throughout the 1990s, thereby crippling its civil service and increasing its abusive practice of using forced labour for major public works projects. Political pressure also increased as the United Nations spoke of the need for some resolution. It feared that the situation could further deteriorate if the United States decided to impose even stricter sanctions.”\textsuperscript{147}

Most observers initially believed that the new 2010 Constitution was meant to be similar to the 1974 Constitution that kept power in the hands of the military while showing the façade of

\textsuperscript{143} Ibid.
\textsuperscript{144} Bertrand, 2013.
\textsuperscript{146} Zin, 2012.
\textsuperscript{147} Bertrand, 2012, 202.
popular rule in order to earn international concessions. However, despite justified skepticism from Burma-Myanmar observers, reforms appear to be delivering real change in the last three years, raising, for example, Burma’s Freedom House score of political liberties and civil rights from a 7 in 2011 (the lowest possible score) to a 5.5 in 2013, a modest improvement in a hopeful direction.

The 2008 Constitution has a number of provisions that serve to assuage military fears of being ousted from power, but power for the military is subject to the checks and balances of the new structure of government. Perhaps the most significant power granted to the military under the new constitution is the guarantee of twenty-five percent of seats in Parliament. Under the Constitution, the Commander-in-Chief of the Defence Services may appoint 56 out of 168 representatives to the upper “Amyotha Hluttaw” house, and 110 out of 440 representatives to the lower “Pyithu Hluttaw” house, together referred to as the “Pyidaungsu Hluttaw.”

In the executive branch, the military and the Commander-in-Chief are granted a great deal of power. While the President has the power to deploy the armed forces, this is can only be done in conjunction with the Commander-in-Chief. The Constitution also grants the military “the right to independently administer and adjudicate all affairs of the armed forces,” and the right to “prevent danger and provide protection” during a state of emergency, as determined by the President or the Commander-in-Chief of the Defence Services.

The 2008 Constitution lists as one of its Basic Principles, “enabling the Defence Services to be able to participate in the National political leadership role of the State.” Although the Commander-in-Chief is appointed by the President, the appointment must be approved by the National Defence and Security Council. The Defence Services section of the Constitution is the briefest in the document, the military is granted sweeping powers to “administer the participation of the entire people in the Security and Defence of the Union,” and to “safeguard the Union against all internal and external dangers.” Under its current design, the Constitution cannot be altered except by a vote of seventy-five percent of the Parliament, effectively giving the military veto power to protect the status quo granted in 2008.

At the state/region level, the military is also granted significant power. While Civil Services personnel appointed as a state or regional minister is required to retire from the Civil Service, military appointees are allowed to continue serving in the Defence Services concurrently. The Commander-in-Chief of the Defence Services is also entitled to appoint twenty-five percent of the state and regional legislative bodies. However, the establishment of

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149 Ibid.
elected state and region Parliaments has proven a major success for increasing participation and self-rule in the seven states and seven regions that make up Burma-Myanmar. Of the fifty-eight political parties currently registered in Burma-Myanmar, thirty-one are ethnic minority groups.\textsuperscript{157} Although all regional and state legislative bodies are currently headed by the USDP, the 2015 elections are likely to put more power into the hands of constituents, as long as elections continue to be free and fair.

However, despite the fact that state governments have put more power into the hands of ethnic minorities, there are still serious problems with disenfranchisement, particularly of those groups not recognize under the 1982 citizenship law. The law, which has not been changed since its inception, states: “nationals such as the Kachin, Kayah, Karen, Chin, Burman, Mon, Rakhine, or Shan and ethnic groups as have settled in any of the territories included within the State as their permanent home from a period anterior to 1185 BC, 1823 AD are Burma citizens.”\textsuperscript{158} While this should encompass the various ethnic groups currently residing in Burma-Myanmar, the following point goes on to state: “the Council of State may decide whether any ethnic group is national or not.”\textsuperscript{159} There are several ethnic groups within the country that are not recognized as citizens of Burma-Myanmar, even under the new Constitution. The largest stateless group is the Rohingya, a majority Muslim group that resides in northern Rakhine State. The government of Burma-Myanmar insists that the Rohingya are Bengali, and so treats the group like illegal immigrants. Anti-Rakhine, as well as anti-Muslim sentiment has grown increasingly high since the political transition, perhaps because the Buddhist nationalist monks of the 969 movement can speak more freely under the new system of government.\textsuperscript{160} Communal violence between Muslim Rohingya and Buddhist Rakhine within Rakhine State in the last two years has rocked western Burma-Myanmar, threatening the stability of the fledgling semi-democracy.

Although the military is granted a great deal of power in the 2008 Constitution there are also structural changes that allow for the diffusion of power in the new government system. A change in the power structure of the government and the coming into power of a new generation of military leaders allowed for power to concentrate in new locations, and created a space for regime sofliners to pursue reform without danger of retribution. In the new system, the strategy of the main opposition party—the National League for Democracy—allowed for coalition-building between moderates in the opposition and sofliners in the regime.

As head of state from the early 1990s through 2011, General Than Shwe ruled with an iron fist. He regularly decimated political opponents, and even political allies at the mention of support for democratic reform.\textsuperscript{161} The general also reportedly had a deep, personal distaste for pro-democracy leader Aung San Suu Kyi, so much so that he refused to speak her name by the

\textsuperscript{157} “Political Parties.” ALTSEAN-Burma (August 9, 2013).
\textsuperscript{158} “Burma Citizenship Law of 1982.” (October 16, 1982).
\textsuperscript{159} Ibid.
\textsuperscript{160} “Myanmar: Storm Clouds on the Horizon.” (2012).
\textsuperscript{161} Hlaing, 2012.
end of his career.\textsuperscript{162} Despite his own heavy-handed tyranny as head of state, Than Shwe was instrumental in designing the democratic transition, diffusing power, and selecting successors, many of whom were revealed to be liberals and softliners after Than Shwe’s retirement.\textsuperscript{163} It is largely unknown what prompted Than Shwe’s decision to step down from office, although some observers have suggested that fear of popular revolt after the 2007 Saffron Revolution and the example set by the Arab Spring contributed to his decision.\textsuperscript{164}

Although the referendum held to approve the new Constitution in 2008 was unfair and fraudulent, the Constitution that came out of the National Convention was a major step forward for political reform. Although the Constitution give veto power to the military in the form of appointments for twenty-five percent of seats in Parliament, power in the new system is diffused through a system of checks and balances designed to prevent Than Shwe’s successors from centralizing as much power as he was able to amass.\textsuperscript{165} In the civilian government, there are four centers of power: the presidency, the Parliament under the powerful speaker position, the military-backed political party USDP, and the armed forces led by the National Security Council and commander-in-chief.\textsuperscript{166} Although most of these positions are held by military or former military, the diffusion of power across several positions and organizations meant that individuals seeking power would be less able to destroy opponents as Than Shwe did, leaving a space for the emergence of liberal elites in the military.

In a less heavy-handed government setting, a class of senior military and former military elites currently in government who “call themselves liberals” was able to emerge, openly stating that the country’s problems cannot be solved without further political and economic liberalization.\textsuperscript{167} Notably, the transition to rule under the new Constitution saw the retirement—sometimes coerced retirement—of many old guard hardliners in the military in favor of a new generation of younger officers.\textsuperscript{168} The most important softliner elite to emerge post-transition was President Thein Sein. Hand-picked by Than Shwe to serve as Burma-Myanmar’s first president in a new civilian government, international and domestic observers had little hope for Thein Sein’s motivations to enact reform.\textsuperscript{169} Thein Sein was a last-minute choice for the presidency, a retired general and nationalist who was initially expected to act as a puppet for Than Shwe in office.\textsuperscript{170} However, beginning in July 2011, Thein Sein has taken ownership over the political reform movement and has proved to be a force for liberalization and change.

In July 2011, President Thein Sein began to reach out to business and community leaders, including members of the media and civil society, to seek support and advice for government

\textsuperscript{162} Ibid.
\textsuperscript{163} Ibid.
\textsuperscript{164} Ibid.
\textsuperscript{165} Zin, 2012.
\textsuperscript{166} Hlaing, 2012.
\textsuperscript{167} Ibid, 209.
\textsuperscript{168} Ibid.
\textsuperscript{169} Ibid.
\textsuperscript{170} Ibid.
reform. Thein Sein gained a great deal of legitimacy by meeting with Aung San Suu Kyi at the presidential palace and reaching out to develop a working relationship for cooperation and reform. By coalition-building with community stakeholders as well as the face of the opposition, Thein Sein was able to create a diverse movement for reform, with the power of the military and government backed up by the legitimacy of the opposition.

The actions of Aung San Suu Kyi to help bring about reform have also been instrumental in Burma-Myanmar’s progress the past three years. While the NLD initially boycotted unfair elections held by the government—first the Constitutional referendum and then the 2010 election that, predictably, saw the military-backed USDP win in a fraudulent landslide victory—NLD participation in the 2012 elections not only saw huge success for the opposition party, but also lent legitimacy to Thein Sein’s new government, both domestically and internationally.

Aung San Suu Kyi and the NLD’s decision to participate and cooperate with the regime is an important factor in establishing the coalition of opposition moderates and regime softliners that can work together toward reform on multiple fronts. As a Nobel Laureate and democracy icon, Aung San Suu Kyi gave legitimacy in the international community to Burma-Myanmar’s new regime, as demonstrated by U.S. President Obama and Secretary Clinton meeting with her and seeking her advice on engagement with the new regime.\(^{171}\) As the daughter of a revolutionary hero and a beloved national symbol of freedom, Aung San Suu Kyi also built coalition legitimacy within Burma-Myanmar by providing a point of organization for opposition groups and as an important domestic agenda-setter once she was elected to Parliament in 2012.\(^{172}\) When Aung San Suu Kyi stated that she trusted Thein Sein and believed in his vision for the country, she signaled domestic and international reformers to take reforms seriously, and opened doors for engagement between Burma-Myanmar and the international community, particularly the United States.

International actors have continued engagement with Burma-Myanmar through the transition, rewarding reform and encouraging positive change. For ASEAN actors advocating Burma-Myanmar’s reform, it was after the events of Cyclone Nargis that real signs of change began to show in Burma-Myanmar. ASEAN was able to engage the military government on a deeper level after working together to respond to the humanitarian disaster.\(^{173}\) The ASEAN Chair position in 2014, a significant bargaining chip, was dangled before the military government in 2011 as an incentive for reform.\(^{174}\) By awarding the potential for positive international attention in the form of the chair position to Burma-Myanmar, ASEAN offered a chance to salvage Burma-Myanmar’s bruised reputation as well as build trust and show support for the initial moves toward reform. Reforms would proceed to multiply over the course of 2011 into 2012 in the form of relatively free elections, engagement with the West, the release of

\(^{171}\) Ibid.
\(^{172}\) Ibid.
\(^{173}\) Acharya, 2012.
political prisoners, and other measures that would bring the country out of isolation and into the international community.

The United States also provided incentives following reform to maintain and continue political change. In response to the establishment of civilian government, the release from house arrest of democracy leader Aung San Suu Kyi in 2010, and the participation of Suu Kyi’s political party, the National League for Democracy (NLD), in the by-elections, Secretary Clinton visited the country and offered to ease US sanctions should reforms continue. As reforms progressed, including relatively free elections in April 2012 that brought the NLD opposition party into Parliament for the first time as well as the release of many political prisoners and an important ceasefire agreement between the military and the Karen National Union in the west, the US delivered on its end of the bargain. By 2013, almost all sanctions had been removed, aside from restrictions on arms trading and the import of certain gems and minerals.

The easing of sanctions alone was not the US’s only relationship-building action with Burma-Myanmar. Although the U.S. had a chargé d’affaires in the country between 1990 and 2012, there was no ambassador appointed to the country following the regime’s rejection of the 1990 elections. Diplomatic gestures such as appointing the first US ambassador to Burma-Myanmar in over twenty years, official visits from Secretary Clinton in 2011 and President Obama himself in 2012 went a long way toward extending the hand of friendship. True to form, the US continues to use a framework of human rights to inform its policy toward Burma-Myanmar, largely following the lead and advice of democracy icon and current opposition leader in Parliament, Aung San Suu Kyi.

US policies of conditional engagement created a level of success unimaginable during the decades of sanctions. For example, after Hillary Clinton called for the release of political prisoners during her 2011 visit to Burma-Myanmar, President Thein Sein obliged almost immediately with the conditional release of hundreds of political prisoners by January 2012. However, although the US has supported and encouraged the push for democratic reforms along its way, the US government cannot claim credit for the initial change in Burma-Myanmar’s government. The US policy of engagement was a powerful incentive for reform, but it was largely the international context, including China’s rise and the Pacific rebalance that created the favorable environment for a change in focus, for both US and Burmese leaders.

### Vietnam’s New Challenges

Today, Vietnam’s politburo is made up of the youngest group of party members to date. Vietnam has one of the lowest poverty rates in the region at only twenty percent, and a lower rate

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175 Ibid.
of inequality than most of its neighbors.\textsuperscript{179} Even so, Vietnam’s per capita GDP is ranked seventh in the Southeast Asia region.\textsuperscript{180} Vietnam has one of the lowest rights and liberties scores in the region, tied with fellow Communist regime Laos.\textsuperscript{181} Protests by democratic-minded groups are few and far between, and democracy is largely seen as an element of Western society (while the Vietnamese brand of communism has clear, strong legitimate claims).\textsuperscript{182} Protests have picked up recently in favor of improved economic policies, nationalist assertion abroad, internet freedom, and freedom of religion.\textsuperscript{183} However, Vietnam’s public appears to be one that William Case would describe as the “quiescent public,” not gripped by the desire for participatory politics, leaving power in the hands of the elites.\textsuperscript{184}

Elites in Vietnam have managed to maintain the stable autocracy described in Case’s theory by maintaining elite cohesion and cooperation. The expansion of Communist Party membership in the early 1990s saw an increase in membership to just under three percent of the population. Private sector business professionals were invited to join the party, ensuring the representation of a group normally excluded from Communist regimes. According to Le Hong Hiep, the CPV gains legitimacy from both nationalist sentiment and economic performance.\textsuperscript{185} The CPV, essentially, can claim credit for Vietnamese independence, including leading the fight in three wars and through the occupation of Cambodia, as well as its recent development and modernization, lending the party a great deal of popularity and support despite restrictions on individual rights.

Alternatively, Adam Fforde suggests that the power and stability of the Vietnamese party may be in crisis. According to Fforde, the advancement of Vietnam’s market economy is incompatible with the current system of government, as evidenced by the economic slow-down since 2007. Since 2007, the slowing of growth has led to a general lack of confidence and even contempt for the CPV and its rampant corruption.\textsuperscript{186} Even Le Hong Hiep believed the CPV faced a threat in the form of corruption and bureaucratic inefficiency.\textsuperscript{187} However, suggesting that the CPV is not actually in control is not looking at the situation realistically.

The CPV actually enjoys far more legitimacy than Fforde gives them credit for, despite a slowing of the GDP growth rate. In his article, Fforde discounts nationalism as a source of legitimacy for the CPV. Le Hong Hiep suggests that nationalism and ideology, long the source of legitimacy for communism in Vietnam during the tumultuous war years, is an important

\textsuperscript{179} Dayley and Clark, 2010, 226.
\textsuperscript{180} Bertrand, 2013, 34.
\textsuperscript{181} Polity IV Dataset, 2012.
\textsuperscript{182} Ibid.
\textsuperscript{184} Case, 2002, 24.
\textsuperscript{185} Le Hong Hiep, 2012.
\textsuperscript{187} Le Hong Heip, 2012, 158.
fallback for the CPV today during times of economic hardships. The CPV taps into Vietnamese nationalist sentiment, particularly anti-Chinese sentiment, in order to garner support for the government. Although the CPV shares close relations to the Chinese Communist Party due to shared ideology, the CPV can tap into nationalism, to a certain degree, on matter such as the South China Sea in order to solidify public support.\(^\text{188}\)

A new round of constitutional changes this year in Vietnam gave the private sector hope for further economic reform. The new Constitution, however, does not meet these expectations. Approved on November 28, 2013, the new document confirms and retrenches CPV power, as well as state-owned enterprises over the private sector.\(^\text{189}\) The initial purpose of amending the Constitution was, according to party leaders, to keep up with the economic times, and early drafts removed clauses that required heavy-handed state participation in the economy.\(^\text{190}\) These changes did not make the cut in the final draft. Business leaders and political activists were disappointed in the lack of significant change in the structure of government under the new laws.\(^\text{191}\)

However, there are other opportunities on the horizon for Vietnam’s fast-growing economy. The Trans-Pacific Partnership (TPP) is a proposed regional free trade agreement that would link the economies of some of the fastest-growing countries in the world, including Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam.\(^\text{192}\) Although the agreement is still in negotiations, if it is enacted it would include thirty percent of global GDP, forty percent of the world population, and over half of global production, a huge potential market for Vietnam, especially in the wake of a slightly decreasing rate of economic growth in recent years.\(^\text{193}\) According to Brock William’s report, Vietnam may have the most to gain from relations with the United States through the TPP, given its large population and rapidly growing economy.\(^\text{194}\)

Although the TPP presents a huge opportunity for Vietnam, the CPV faces serious obstacles to membership, particularly stemming from the expectations for free trade partners held by the United States. Human rights issues are a potential stumbling block for US-Vietnam relations, and further integration into the international system and sustained economic reforms are a necessary feature of continued negotiations.\(^\text{195}\) All of the states in the TPP recognize Vietnam as a free market economy, except the United States. Non-market economy status with

\(^{188}\) Ibid.
\(^{189}\) Nguyen Pham Muoi, 2013.
\(^{191}\) Nguyen Pham Muoi, 2013.
\(^{193}\) Ibid.
\(^{194}\) Ibid.
the US is a serious hindrance to free trade negotiations, since the US operates under the assumption that Vietnamese prices are not fair. On the other hand, the US has offered to improve economic ties with Vietnam throughout TPP talks, in addition to providing technical assistance to meet TPP requirements.\textsuperscript{196} Admittance into a trans-Pacific FTA would be mutually beneficial for both Vietnam and the United States. Despite their past of war and hostile relations, Vietnam and the US have made concerted efforts in the last two decades to improve economic, political, and diplomatic ties, and currently experience warm relations.

\textbf{Conclusion}

Although Burma-Myanmar and Vietnam shared a comparable starting point in the 1970s and early 1980s, their political and economic development post-1985 is vastly different. The international disapproval targeted at Vietnam during the occupation of Cambodia was tied to the overarching international system of the Cold War. Vietnam faced international criticism for its abuse of South Vietnamese following reunification, and for the occupation of Cambodia, however, hostility from the West and the United States in the 1970s and early 1980s had more to do with communism and the Soviet Union than Vietnam itself. After the dissolution of the USSR, obstacles to engagement with the West largely dissolved as well. The process of \textit{doi moi} reforms in the mid-1980s, and subsequent reforms through the 1990s and 2000s was able to integrate Vietnam into the international economy and create high rates of economic growth.

The situation for Burma-Myanmar on the international stage was different. The brutal military dictatorship was not aligned to either side during the Cold War. Its subjection to international pariah status, including over twenty years of sanctions imposed by the Western world, were based on the regime’s treatment of ethnic minorities, student protesters, and pro-democracy dissidents. Because sanctions against the regime were not contingent upon the international system, the end of the Cold War had no effect on international perceptions of the Burmese dictatorship. Even when Burma-Myanmar attempted economic reforms in the late 1980s and early 1990s, continued oppression and human rights abuses prevented the state’s acceptance on the international stage. Although sanction-breakers like ASEAN, India, and China provided support for the state, Western sanctions barred Burma-Myanmar from full participation in the international system. In order to reap the benefits of engagement in the global economy and international community, military elites in Burma-Myanmar calculated over the last decade that democratization would be necessary to give the country an opportunity to integrate into the global economy, develop, and modernize.

Moving forward, both Burma-Myanmar and Vietnam face challenges to their political and economic development. Stalled economic growth in Vietnam means that the CPV must find new ways to continue improving the economy and tackling problems that challenge legitimacy, like the rampant corruption perceived in the party. Nationalism continues to be a source of legitimacy and strength for the CPV, although the party must tread carefully when using anti-Chinese sentiment to improve its domestic standing in order to protect China-Vietnam relations.

\textsuperscript{196} \textit{Ibid.}
The TPP offers an opportunity for renewed economic growth and development, but entrance into the agreement with the United States means that the CPV must be willing to accept further political and economic reforms.

In Burma-Myanmar, the ongoing shift toward democratization is still uncertain. Although reforms have thus far led to a new economic openness, the release of political prisoners, a free press, and peace in almost all of the border states, obstacles to stability and further reforms remain. The continued war in Kachin State and the growth of anti-Islamic sentiment and communal violence against the non-citizen Rohingya present serious problems to political stability in the west.\textsuperscript{197} While the NLD swept mid-term elections in 2012, only a small fraction of Parliamentary seats were up for election. Aung San Suu Kyi has publically stated a desire to change the Constitution in order to make herself eligible for a presidential bid in 2015, presenting the possibility of a new horizon for reform, while also bringing into question how the military will handle the potential power shift brought about by the upcoming elections.\textsuperscript{198} While current reforms under President Thein Sein have begun to improve the living situation in the country, political change is reined in by the still-powerful arm of the military. Leading up to the 2015 elections, reformist elites are challenged to manage uncertainty on all sides, by creating an environment that makes the military feel secure while still opening space for political and economic changes and increasing civilian power over the government.

\textsuperscript{197} “Myanmar: Storm Clouds on the Horizon.” 2012.
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