

Political Turmoil, Leadership Fiasco and Economic Fallout of Myanmar Crisis in 2021

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Abstract: Myanmar caught in political turmoil at the outset of February 2021. Military seized control in a coup and overthrew elected government. Tension gripped the nation and uncertainty brought the lives of people on edge. Ruling party National League for Democracy (NLD) won general election with landslide victory held in November 2020. Eminent leader and NLD figurehead Aung San Suu Kyi re-established her popularity. It would have been democratic rule with elected leader in her second term. The election was significant to assess credibility of Aung San Suu Kyi who faced criticism worldwide for her inaction during Rohingya crisis. Opposition party supported by military brought allegation of voting fraud and urged about rerun of election. Opposition pointed out government irregularities in election process and denied its outcome. Since military took control in Myanmar in 2021, curfew had been imposed, phone and internet services got disrupted and television broadcasting of domestic and international channels remained suspended. Aung San Suu Kyi had been held in house arrest and other democratically elected leaders had been detained and protesting civilians were imprisoned immediately. Civil disobedience and peaceful protest by citizens faced brutal treatment. Army crackdown in Myanmar had been condemned and criticised across the globe as it portrayed onslaught on democracy and state of emergency decimated rights of native populace. In absence of political stability, economy would be badly hit which already suffered owing to outbreak of COVID 19 in 2020.

Keywords: Economic misfortune, International reaction, Military coup, Political instability, Social backlash.

1. Introduction

Myanmar is one of the prominent nations in south east Asia inhabited by around hundreds of ethnic groups. Myanmar erstwhile regarded as Burma was province of British India in 1985- 86. Later British isolated Burma from India in 1937 and treated it as crown colony of Britain. Japan invaded Burma in 1942 despite heavy opposition from Britain during WW II. Burma attained liberation from Britain in 1948 with U Nu's ascendance as prime minister who served foreign ministry earlier. Since mid-1950s, Myanmar was part of Non- Aligned Movement along with India, Indonesia, Yugoslav and Egypt which was against of cold war between economic superpowers and believed in peaceful coexistence and non-interference in national affair of other nations. Army uprising in Myanmar started in 1958 when custodian government under the guidance of army Chief of Staff General Ne Win took charge after

disintegration of incumbent AFPFL party. First significant military coup happened in 1962 when Gen Ne Win dismantled federal structure and initiated Burmese pattern of socialism. Single party rule was established to reinforce socialism drive and it succeeded in nationalisation of economy. Military power brought an end of independence of press. Military leaders brought new constitution into effect in 1974 which strengthened armed force and military rule unprecedentedly. Law was enforced in 1982 to eliminate non- indigenous associate citizen from holding public office.

Economic crisis gripped the nation in 1987 which led to devaluation of currency. It adversely impacted savings of people and infuriated mob erupted into anti-government insurgency. Killing and bloodshed claimed enormous lives in anti-government rebellion. Name of country Burma changed to Myanmar and capital was rechristened as Yangon from erstwhile Rangoon. NLD leader Aung San Suu Kyi, daughter of Myanmar's liberation crusader, Gen Aung San, had been exiled at her personal residence who gravitated her party towards sweeping electoral triumph in 1990 despite military opposition. Her dedication towards upholding democratic value and steadfast operation towards nonviolent transition in the face of military repression earned Nobel Peace Prize in 1991. Aung San Suu Kyi was liberated from house imprisonment in 1995 after 6 prolonged years. Myanmar became member of trade bloc Association of South East Asian Nations (ASEAN) in 1997 to promote trade-oriented growth. The State Law and Order Restoration Council (SLORC) which came into existence in 1988 to restore law and order in the nation got the recognition of State Peace and Development Council (SPDC). But peace was far cry in this unfortunate territory.

Democratic process remained an unrealized dream for all inhabitants of the nation and NLD leader Aung San Suu Kyi had been held hostage at her residence repeatedly under several pretext since 1989. European Union imposed sanction in 2006 that was extended up to 2010 in protest of prosecution of minorities and opposition groups by military Junta government. Myanmar faced ire from western world when it forged a tie with nuclear weapon empowered North Korea in April 2007. Cyclone Nargis ravaged Myanmar that claimed millions of lives in May 2008. Military remained strict on opposition leaders and party members and held tough stance against

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minorities. Military opposition standoff started to melt with US intervention and democratic reform appeared in horizon with visit by US Secretary of State Hillary Clinton in September 2009 and December 2011. A plodding liberation sprouted in 2010 and gained traction in 2015. Communal violence erupted between Rakhine Buddhists and Rohingya Muslims in August 2012 and took a dire turn November 2012 when many lost their lives in sporadic clashes. Suspension of voting rights of Rohingyas, atrocities by Buddhist and racial violence led flee of Muslim minorities.

2. Case Presentation

Myanmar had been heaven of rebel groups for long and military dominance for more than 50 years deterred economic progress and social upliftment. Right of journalism decimated and power of free press remained restricted for prolonged period of time. Democratic rights of people had been truncated and social repression remained rampant under military rule. After 50 years of military oppression, democracy returned to Myanmar with parliamentary election in November 2015 under the leadership of National League for Democracy leader Aung San Suu Kyi which received majority to form government. But problem was far from over. Her regime faced allegation from western front and UN when human right violation was reported against army that led exodus of millions of Rohingya minority. Elected leader Aung San Suu Kyi showed apathy or failed to take a stand against mass genocide against Muslim minorities and military leaders perpetrated heinous crime against Rohingya Muslims. Two Reuter journalists had been apprehended with false allegation of state secrecy laws circumvention and sentenced to seven years of imprisonment for covering Rohingya crisis.

Parliamentary election was held in November 2020 and incumbent National League for Democracy emerged triumphant with comprehensive victory in election result. Ruling party secured 396 seats which were far above than 322 seats necessary to form government. However, Myanmar Armed Forces named Tatmadaw with inclination towards stratocracy declared election result invalid and full of electoral fraud. Military coup d'état in February 2021 took control of state power, detained President Win Myint, State Counsellor Aung San Suu Kyi and also arrested ministers, their deputies, member of parliaments, writers and activists. There was declaration of state of emergency for about a year and massive crackdown on civilians led to killing and bloodsheds. Security forces fired live ammunition against peaceful demonstrators across the country who took out rally against military uprising. People of Myanmar suffered inexplicably from 1962 to 2011 under tormenting military junta rule. Economic prospect, social prosperity and human rights were violated in unimaginable scale. Earlier, ruthless military squashed democratic movement of 1988 and 2007 with raining bullets on peaceful demonstrators. Military didn't delay to overthrow elected government in 2021, brought unreliable charges against democratic leaders and seized control over political and social apparatus hurriedly in February 2021. Telephone and internet services were withheld with immediate notice for several cities.

Television broadcasting had been stalled and domestic and international flights had been called off. The activities at stock market and commercial banks were stopped and shutters were pulled down. Panic-stricken people queued up in front of ATM at several locations. Residents of Yangon which happened to be the largest city of Myanmar rushed to market to stockpile groceries and food items in fear of imminent scarcity. Millions of people poured onto the streets in peaceful demonstration against military coup. Civil disobedience defuncted banking operation much to the dismay of military. Along with activists, civil servants, bank workers, doctors and day laborers joined the military boycott extended for months despite formidable threat from military which deployed soldiers in riot gear and positioned snipers at rooftop to unleash surprise attack on rioters to quell civil unrest. Myanmar's economy underwent hardships in 2020 owing to pandemic peril. As per Asian Development Bank data updated in September 2020, the economy which registered 6.4% and 6.8% GDP growth rate, plummeted to 1.8% in 2020. In recent development of democratic uncertainty economic despondence grew immeasurably.

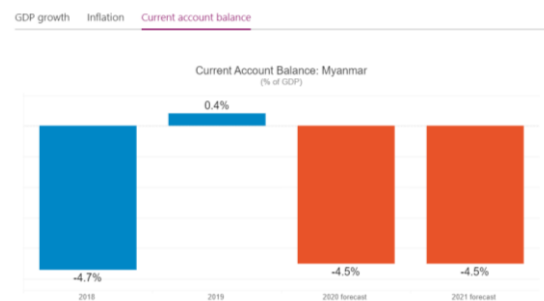


Fig. 1. Current account balance statistical data of Myanmar
Source: Asian Development Bank. Asian Development Outlook (ADO) 2020 Update (September 2020)

The current account balance painted a gloomy picture for Myanmar in 2021 which already cut a sorry figure in 2020 owing to pandemic related trade restrictions. Myanmar is not industrially sound economy. Majority of contribution to GDP comes from agriculture forestry and fishing which employs about 2/3 of working populace. Forestry plays a significant role in earning foreign exchange as it caters to significant demand of Myanmar Teak that grows at tropical-deciduous forests of the hills. But military coup would affect trade prospect which already suffered a blow due to trade restrictions during pandemic. Global investment to Myanmar has been pushed to edge and several western governments condemned military coup, violation of democratic process and human rights since outset of February 2021. There is looming fear that military upheaval of 2021 can gravely hamper business operation and dampen consumer confidence.

3. Discussion and Conclusion

Democracy is in grave crisis in Myanmar in 2021. It is evident that country had never been a favourite place political stability. Military contrived against democracy and tactfully

refuted free and fair election of Myanmar held in November 2020. Union Solidarity and Development Party (USDP) backed by military opposed voting outcome and baseless allegation such as gross violation law and procedure had been labelled against incumbent government much to the dismay of country's Union Election Commission which claimed election free from dispute. Army failed to provide any valid evidence to national and international observers who found no irregularities in it. The country that gained independence from British rule in 1948 fell into grip of military junta since 1962. Military kept on opposing peaceful democratic transition for narrow vested interest. It denied electoral outcome of 1990 and went on strengthening military supported Union Solidarity and Development Party (USDP). Military reluctantly allowed democratic reform in 2011 under western pressure and US intervention post cyclonic disaster. The National League for Democracy (NLD) under leadership of Nobel Laureate Aung San Suu Kyi appeared as convincing alternative and civilian democracy emerged viable since 2012. Democracy saw its marks of progress in March 2016 dethroning military dominance that reigned half a century. Rohingya crisis since March 2017 took a bad shape and human right abuses against Rohingya Muslim minority forced mass exodus. Rohingya refugees faced horrific tragedies and Aung San Suu Kyi government faced criticism from all corners of the world for genocide against Rohingya Muslims. Ethnic cleansing and ill-treatment to Rohingya caused strained relationship with Bangladesh and other neighbouring nations where Muslim minorities took shelter as refugee. Misfortune for Myanmar residents was far from over as pandemic dealt a heavy blow to economy in 2020. November 2020 election was supposed to bring Myanmar on steady progress of democracy and unleash economic reform. But refusal of result accusing voting fraud by military led opposition. Sudden military coup in February 2021 marred the prospect of democratic prosperity and economic recovery. Military stormed to power in a coup and imposed state of emergency cancelling Television broadcasting, suspending telecommunication, internet services, barring stock market as well as banking operation and grounding national and international flights. Suspension of private banking activities by bankers caused liquidity crunch in market and reduced cash flow to business. Public protest had been dealt with firing bullets, detention and civil arrest. Chief of Tatmadaw aka Army, Min Aung Hlaing took charge and would hold rein for one-year period. Several western leaders, Boris Johnson administration, Biden Administration and United Nations

secretary general despised unequivocally about despicable military coup in Myanmar. Along with western opposition, Foreign Direct Investment (FDI) prospect worth billions of dollars appeared to be dimmed and several important sectors such as real estate and manufacturing would be deprived of pivotal foreign capital. Projects related to telecommunication, energy and infrastructure would face road block owing to fund crunch. US sanction on Myanmar can be a crippling blow to beleaguered economy of Myanmar which contracted massively owing to pandemic in 2020. Level of poverty would reach to 27% as per prediction by world bank. Neighbouring country China initially opposed international intervention before making cautious approach to situation. China invested heavily in Myanmar to fulfil much touted one road one belt project that symbolized rise of China in south east Asia. But political instability in Myanmar brought uncertainty over Chinese relation with neighbour nation. Military coup in February 2021 would prove to be historic blunder for Myanmar owing to economic and social loss. China is biggest export market for Myanmar with 20% of total export and Singapore remained highest FDI investor in Myanmar from 2011-2020 dwarfing contribution by EU and US. All driving forces for economic upliftment would face bottleneck and Myanmar economy would crumble at the idiosyncratic power grabbing conspiracy of military force.

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