

In Brief

Thousands of Myanmar workers return home after Thai crackdown on illegal workers
IFC seeking to play a wider role in supporting agriculture in Myanmar
UN Special Rapporteur for Human Rights in Myanmar Yanghee Lee ended her recent visit saying she was “disappointed”
US puts pressure on Myanmar to cut military links with North Korea
Swe Win, chief editor of Myanmar Now, arrested at Yangon International Airport on July 30th



Myanmar Insights July 2017

By Myanmar Capital Partners

News Round-Up

Kyat Exchange Rate	MMK/USD
31/05/17	1362.00
30/06/17	1363.00
31/07/17	1360.00

Politics

Officials in the Spotlight - The NLD party will take action against underperforming, corrupt or misbehaving government officials, party spokesperson Win Htein said recently. “Officials failing to do their public service will initially receive a warning, informing them that the party will observe their work for one year,” he said, adding that if requirements were not met within a year they would be removed from their position. “We have received complaints from almost every state and region in Myanmar,” Win Htein said at a meeting of government officials,

parliamentarians, and NLD members in Mandalay. In recent years, the NLD has expelled many of its own members for disloyalty to the party or over complaints of bad behavior. Political analyst Dr. Yan Myo Thein said a balance of cooperation between the government, parliament, and the party was required and the NLD should be careful of interfering in government matters. He welcomed NLD's bid to combat corruption and said action should be taken immediately but warned that "if a party attempts to control the government directly, there will be controversy."

Inactive Land - More than 100,000 acres of land permitted to some 270 private companies for business activities in Irrawaddy Division's Maubin District remain inactive more than 20 years after confiscation. According to Hawk Sawm Man, the secretary of the Maubin District Committee on Confiscated Farmlands and Other Lands, more than 170,000 acres of land were given to private companies under the previous governments, but only around 67,000 acres had been utilized by the end of November 2016. "We will require that companies return all inactive lands," the secretary said. The Central Committee on Confiscated Farmlands and Other Lands has finalized a list of inactive lands and has said that it would seize the lands on the list, even if they were used by private companies after that date. The NLD government, after it came to power in April last year, called for a review of lands confiscated by the previous governments, Hawk Sawm Man said. Following reports that the government would seize the inactive land, companies began digging ponds to breed fish, said Than Win, chairman of the farmer's organization in Nyaungdon Township. "This month, companies began using machinery to dig breeding ponds on land that had been inactive for years. They briefly stopped when officials from the Maubin administrative department instructed them to do so, but they have started again," he said. Before the enactment of the Vacant, Fallow and Virgin Lands Management Law in 2012, more than 2.2 million acres of vacant land were permitted to 4,922 companies, businesspeople and organizations. After the enactment of the law, around 96,000 acres of lands were permitted – totaling 2.33 million acres, according to deputy minister for agriculture, livestock and irrigation U Hla Kyaw. The deputy minister told the Lower House on July 3 that confiscated land committees had found that more than 1.3 million acres of the 2.33 million acres were inactive, and the government would seize them back in line with procedure.

Business

IFC Lends To Microfinance Companies - IFC has committed a financing package of \$13.5 million for Myanmar-based microfinance institutions. The package includes a \$1.5 million stake in Maha Agriculture Public Company and \$6 million in loans each to Fullerton Finance (Myanmar) Company, in which the IFC already holds a 15 percent stake, and Early Dawn Microfinance Company. The move is intended to support microfinance businesses to engage the largely untapped rural, low income market segment. Demand for microcredit for small enterprises

and poor households underserved by mainstream banks is estimated to exceed supply by three-fold, according to an IFC statement. “Improving access to microfinance will help unlock the great potential of the rural sector and small enterprises by providing much needed financing to increase productivity and create jobs, incomes and prosperity for a significant number of workers in this country,” said Vikram Kumar, IFC country manager for Myanmar. The deals “fit with a strategic IFC focus in Myanmar to develop a sustainable and responsible commercial microfinance sector to serve urban and rural poor”. IFC is mitigating lending risks through development of a central credit bureau, expected to be launched later this year following the issuance of a landmark IFC-supported credit reporting regulation in March.

Serge Pun Speaks Out - Myanmar tycoon Serge Pun, one of the wealthiest men in Asia, said recently that the government led by Aung San Suu Kyi has neglected the nation’s much-needed economic reform. Pun, head of conglomerate First Myanmar Investment, urged authorities to give more attention to growth in one of the region’s poorest countries. He said Myanmar’s economy “has not performed well enough” more than one year after its first de facto civilian leader swept to power in a historic vote. Myanmar’s economic growth, albeit still relatively strong, has slowed since she took power, while foreign direct investment has fallen sharply. Its gross domestic product growth fell to 6.3 percent in 2016, a full percentage point lower than the previous year, according to the International Monetary Fund. “They have definitely neglected on the economy side. They have not realized the importance of the economy,” Pun told an event held by Singapore Management University in Yangon. Aung San Suu Kyi has made the push to end decades of fighting between the military and myriad rebel groups a priority for her administration, but Pun said the country’s economic development is “the most effective tool” to attain those goals. While she has achieved a lot in Myanmar’s peace process, Pun said, “without a vibrant economy, those objectives can be very vulnerable. Peace may not be sustainable.”

Shell Comes To Myanmar - Max Energy has signed a license agreement with the international energy firm Shell to introduce its brand of retail sites in Myanmar. The deal is with Shell Brands International AG, a subsidiary of Royal Dutch Shell, and it will see a nationwide roll-out of the branded petrol stations and retail outlets on sites owned and operated by Max Myanmar over three years. Fuel supply will be handled by Shell International Eastern Trading Company based in Singapore, the company announced. “This will benefit Myanmar by raising the quality and standard of fuels and providing an unrivalled customer service and experience for people,” said Zaw Zaw, chairman of Max Myanmar.

Asia Foundation Looks To Improve Business - A three-year plan to improve business competitiveness and economic growth in the states and regions has been launched by the Asia Foundation and the DaNa Facility, with funding from the UK’s DFID. The keystone of the program will be a survey called the Myanmar Business Environment Index (Myanmar BEI),

which will identify constraints and areas for improvement in the regulatory environment for business at both the state and regional level. The goal is to facilitate private sector development and remove unnecessary bureaucratic obstacles as well as opportunities for rent-seeking. “For many Myanmar micro, small, and medium enterprises, the first engagement with government is at the township level, whether this involves business registration, tax collection, or inspection of a business,” said Dr. Kim Ninh of the Asia Foundation. “To improve the business environment in Myanmar, a better understanding is needed of the aspects of local economic governance that facilitate or restrain day-to-day business activity.” “Achieving sustainable and inclusive economic growth in Myanmar requires a better business environment in each of Myanmar’s states and regions,” said Peter Brimble, team leader for the DaNa Facility which will operate the program. The BEI will also reinforce efforts to develop state and region investment promotion and facilitation strategies. The project will involve nationwide surveys in the first and third years, with extensive outreach and dissemination in years two and three.

Rice Initiative - Two Myanmar organizations have signed a memorandum of understanding with CITIC Construction to implement an agronomics service center project. The deal between the Myanmar Rice Association and the Myanmar Agronomics Public Corporation and CITIC was signed in Naypyitaw recently. The project is due to work to boost rice production per acre production rate, enhance rice quality, mitigate production costs and increase internal and external investment in production, milling and trading. Myanmar exports a variety of Emata rice, Ngasein rice, sticky rice, parboiled rice and broken rice to international markets including China, Sri Lanka, the European Union and South Africa. But productivity is low compared to the production of neighboring countries such as Thailand and Vietnam. China is by far the largest market with about 1.5 million tons of rice exported to the country through border gates during the fiscal year 2016-2017.

Culture and Tourism

Myeik Archipelago Starts To Open Up - Nine local and foreign companies building hotel accommodation on twelve islands of the Myeik Archipelago will offer rooms to visitors in the coming high season. The archipelago has more than 800 islands and is an area of world-class outstanding natural beauty that was little visited during the decades when Myanmar was under military rule. The permissions were granted by the MIC. The new hotels will be ready for the coming high season on Nyaung Oo Phee Island, Wa Ale Island, Hlainggu Island, Ngakhinnyogyi Island, 115 Island, Phoni Island, Balar Island and Thahtay Island, according to Hlwan Moe of the Directorate of Hotels and Tourism, with a total of some 200 rooms available. Plans for Myeik Archipelago are being developed in collaboration with the Tanintharyi Region Development Committee and include a provision that “only one kind of business” will be allowed on each island, to protect the natural environment, said Ohn

Myint, deputy director-general of the Ministry of Hotels and Tourism. Of 300,000 foreigners who visited the region last year, 250,000 were from Thailand.

Myanmar's Ethnicity Problem - This article originally by Matthew J Walton, Aung San Suu Kyi Senior Research Fellow in Modern Burmese Studies at St Antony's College, Oxford appeared in Tea Circle, a forum hosted at Oxford University for emerging research and perspectives on Burma/Myanmar.

The myths of ethnic unity are alive and well in contemporary Myanmar. While we might expect misleading historical claims from previous military-led governments or even the current NLD government, incorrect and problematic statements about the country's ethnic past even come from those attempting to paint a more complex, even sympathetic picture.

A recent op-ed from Myanmar political analyst Sithu Aung Myint is a good example of this. Considering the dispute over including a "non-secession" clause as part of the agreements to come from the 21st Century Panglong meetings, Sithu Aung Myint writes in support of the position adopted by most of the non-Bamar ethnic representatives, that the clause is unnecessary and insulting, given their stated commitments to being a part of Myanmar.

However, in making this argument, he also perpetuates one of the most problematic and ahistorical perspectives on the independence period, which is that the Bamar and the other ethnic groups fought together against the British for independence.

This simply is not true. While the Bamar-dominated Anti-Fascist People's Freedom League (AFPFL) included members from non-Bamar ethnic groups as well as allied groups among the other ethnicities, responses to the end of British colonial rule were much more varied among the wider non-Bamar ethnic communities.

First, it wasn't actually the case that anyone "fought against the British for independence." Independence was a struggle for Burma but didn't involve actual fighting against the British after WWII. And even during that political struggle, opinions were often divided along ethnic lines.

Shan saophas (hereditary leaders) were castigated as oppressive feudalists by Bamar nationalists but those supporting the saopha system saw more benefits to the British system of allowing local forms of rule to exist than to the political centralisation proposed by the AFPFL.

This included not just those who materially benefited from the system, but also those who believed in its broader cosmological legitimacy.

Accounts of the 1947 Panglong Conference also make clear that most non-Bamar ethnic representatives were convinced more by the instrumental arguments in favour of joining with the Bamar, rather than an emergent "nationalist" spirit or even anti-British sentiment.

The Karen were perhaps the most sceptical of the Bamar-led independence movement, in part owing to the strong ties between some Karen leaders and British colonial soldiers and administrators, fostered by Christian missionary zeal among the converted Karen.

Karen desires for a separate (independent) state at the time were encouraged by sympathetic writings and public statements by prominent British figures. While views among the Karen overall varied widely, some of the most influential Karen leaders of the late 1940s advocated for a hypothetical “Karen Country” to remain under British dominion, as part of the Commonwealth.

Many of them justifiably feared a Bamar-dominated independent Burma, given past violence perpetrated against Karen communities by Bamar-led militias.

Also left unaddressed in this claim of ethnic unity in the independence struggle is the fact that, because the group of Bamar leaders that would become the core of the AFPFL initially allied themselves with the Japanese in World War II, that conflict in Myanmar played out largely as battles between the Japanese and the Bamar on one side, and the British and most other ethnic groups on the other.

Fierce combat during the war meant that Aung San’s defectors, once they finally grew disillusioned with Japanese rule, were met with scepticism and suspicion when they declared their willingness to join with the British Allied Forces. Even after the Japanese had been ousted, inter-ethnic conflict persisted across parts of Burma, putting the lie to any overarching claims of ethnic unity, either before or after the historic conference at Panglong.

Why is this minor misstatement important in an article that is ultimately advocating for something on the side of the ethnic armed groups?

I would argue that this myth of unity against the British is a damaging and intentional misremembering of the complex dynamics of a key foundational moment in Myanmar’s past that continues to have delegitimizing effects on non-Bamar ethnic communities and their political aspirations in the present.

There are many reasons to be critical of British colonial policies, whether they were intentionally designed to divide and weaken Burmese groups or simply misguided and based on ignorance of the multifaceted nature of identity in Burma at the time.

However, persistently positing the British as the enemy in the independence struggle has the effect of painting any groups that supported or were friendly with the British as insufficiently committed to the Burmese national project, of suspect patriotism and motivated by self-centred interests, rather than collective good.

Inaccurate claims of pre-independence ethnic unity also undercut contemporary grievances of ethnic armed groups and representatives of non-Bamar ethnic groups. As I argued in my 2008 article on “The Myths of Panglong,” the predominant version of the NLD’s narrative of Panglong is that it has been prolonged military rule that has denied the promise of equality that was generated from the 1947 conference.

This narrative relies on accepting the myth that the entire Burmese nation was united at the time of independence, but that military aggression through the 1950s and military rule from 1962 undermined this dream. The logical extension of this argument is that, with civilian (NLD-led) rule at least partly established, the country can now return to its independence-era condition of ethnic unity.

Any continuation of an ethnic-oriented struggle would then be seen as illegitimate and narrowly focused on the interests of one's own group, rather than the country as a whole.

I had this point brought home to me several years ago when I was invited to speak to a multi-ethnic gathering of young people in Yangon, about my work on Panglong and their own perspectives on the event and its mythos.

The most consequential part of the discussion wasn't about my own work, but was rather a heartfelt statement to the group from a young Bamar scholar who was assisting me with some research. He spoke openly about how, until he had begun reading independently, what he had been taught from textbooks, teachers and family was that contemporary ethnic struggles were based on selfish material concerns, not on legitimate political grievances.

His apology, and recognition of the validity of these struggles, was a powerful moment, but one that suggests that many Bamar people likely still hold at least partially biased and misinformed views on Myanmar's ethnic history, even if they hold some sympathy toward the groups that have borne the brunt of military abuses over the past five decades.

The national reconciliation process in Myanmar should not be looking back to some constructed historical moment of fictional ethnic unity but rather recognising Panglong as aspirational. At best, Bamar political leaders in 1947 made promises that were never fully kept, not even in the 1947 Constitution.

But the original Panglong conference was even less inclusive than today's elite-dominated discussions and the provisional nature of the agreement made there is an essential part of the narrative that underlies every continuing struggle for ethnic equality in Myanmar today.

I am sure that many from non-Bamar ethnic groups appreciated Sithu Aung Myint's support for their position on a "non-secession" clause. However, their broader cause would be better supported by a more concerted effort from Bamar elites to accurately represent Myanmar's complicated ethnic past and in doing so, lay the groundwork for a national dialogue based on honesty, inclusion and recognition.

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