

THE BROOKINGS INSTITUTION

MYANMAR/BURMA: NOVEMBER 8 ELECTION ANALYSIS  
AND NEAR-TERM OUTLOOK

Washington, D.C.

Friday, November 20, 2015

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## P R O C E E D I N G S

MR. LIOW: Glad to be here on this very lovely Friday morning. My name is Joseph Liow. I'm the Lee Kuan Yew chair and senior fellow in Southeast Asian studies at Brookings. I've been here a year. I'm from Singapore. I've been here a year.

And one thing I've learned is, Southeast Asia, as far as D.C. is concerned, can basically be summarized into two issues: One, South China Sea, and two, Myanmar. I am, of course, like I said, from Singapore, so in the spirit of the Asian way, I shall refer to it as Myanmar.

So, this morning, we are going to cover 50 percent of the Southeast Asian issues that keep D.C. awake at night. And that is Myanmar; more specifically, the elections that have just taken place. Quite a tremendous result, and I think quite portentous of a whole range of issues which we hope to be able to unpack, discuss and analyze today.

To help us do that, we have a very distinguished panel. Four speakers who are really experts on the topic at hand. We will have Aung Din, who will start first. He was a former political prisoner in Myanmar between '89 and '93. So, he comes with that particular angle in mind, as well. And he is currently based in San Francisco, I believe.

MR. DIN: D.C.

MR. LIOW: Oh, yeah, based in D.C. Okay. With the U.S. Campaign for Burma.

MR. DIN: No, no.

MR. LIOW: Okay, well, the CV needs to be updated. But, in any case, we are very pleased to have you here with us and to share your thoughts.

We also have Priscilla Clapp. Priscilla has a very distinguished

diplomatic career, including serving as basically the ambassador to Burma for one period. Now, she is following, I think, with great interest, a peace process. And she will share with us some of her thoughts, among other things, about the implications of the elections, perhaps for the peace process.

MR. LIOW: Yes, and she's currently with USIP.

Then we have Renaud Egreteau, who is currently a visiting fellow at the Institute of Southeast Asian Studies in Singapore. Did I get that right?

MR. EGRETEAU: I was. (Laughter)

MR. LIOW: Okay. (Laughter) He was. He was. And he was with ICIS, as well as serving in Paris. And he will talk to us about some of the issues related to the parliament, both the current parliament and the incoming parliament, which we will all be, you know, very excited to see in terms of the profile and how he will operate.

And last, but certainly not least, my good colleague, Lex Rieffel, who I know is a nonresident fellow at -- senior fellow at Brookings, and he has done extensive work on, especially, economics and financial structuring in Myanmar. And he will share with us some thoughts on that angle as far as it relates to the elections and, more broadly, to political change in the country.

So, because we have a limited time and we have four speakers, can I request that they confine their remarks to about 10 minutes each? And then, we can have an open discussion.

So, I'll start with Aung Din, please.

MR. DIN: Good morning, ladies and gentlemen. Thank you very much for being here today. I also would like to thank to the Brookings Institution for having this very important panel discussion about my country, Myanmar. I would also like to thank you very much to Lex Rieffel for inviting me to speak her. I am very honored to be here

with my fellow distinguished panelists.

I was born and raised in Burma, also known as Myanmar. So, since I became 18 years of age, I have seen three elections in the country. The first two elections were in 1982 and 1986. But at that time, elections were conducted under the socialist regime. There is no competitiveness. The candidates were appointed by the Socialist Party.

And then, there are only two ballot boxes inside the polling station. One is a white box for the positive votes, and then another one is a black box for the negative votes. And in that polling station, there is no secret voting, so people can see who -- where you vote. So, that's why I choose not to vote in the last two elections in another socialist region.

And there was a (inaudible) election or elections in 1990, but I was not allowed to vote because I was in jail. So, I was eager to see when the 2015 election is coming. I wanted to see how elections were conducted. I wanted like to see how our people will vote. I would like to see how our candidates will campaign.

So, with such enthusiasm, I went -- I make -- I planned to make my visit to Burma to coincide with the 2015 elections. So, I went to Yangon in Myanmar on October 14th. I came back from the Yangon on November 17th. I stayed there for 33 days.

So, before the election, on the election day and two days after the elections, I learned a lot. Since I arrived to Yangon I visited many cities in the Yangon regions. And then, I went to Mandalay, and then I visited many cities around the Mandalay region, and then I went to Northern Shan State, (inaudible), Lashio. These are cities of the Northern Shan State.

I came back to Yangon, and I made another visit to the delta, to the

(inaudible), and I came back. And then, I spent most of the days -- a few days before the elections in Yangon, meeting with many peoples, checking with the -- talking with the many candidates. Most of them are our friends, who we worked together in the 1988 popular democracy movement.

So then, these are my observations. I predicted that in this election, nationally for democracy party led by Aung San Suu Kyi would win the largest number of seats, but not enough to form the government. I also predicted that ethnic political parties will win majority seats in the ethnic states, and they will have significant power to bargain with the major political parties.

And there I was wrong. On the Election Day, when we saw the results, the NLD wins a landslide victory, like it did in 1990s. So, I underestimated the popularity influence of Aung San Suu Kyi. I also underestimated the magnitude of angers and hatred of the people, keeping inside their hearts and minds for many decades against the Burmese Military. So, this election proved that this election result is actually the people of Burma, quietly struck back against the Burmese Military.

Why I compare the candidates between the NLD and the Union Solidarity and Development Party, USDP, I found two distinguished factors. I can describe the NLD candidates are young, educated, inexperienced, and unknown, and they are young. They are well educated, but they don't have any kind of experience in the public office, because NLD has never had a chance to rule the country, and they are unknown.

These unknown factors made me a lot of concerns. They are not among the larger population, because many candidates of NLD were sent by their party, the Central Committee to this particular region. There they local branches and many of the NLDs, some of them were going to campaign for these people who came down from the

top. So, it was my great concern, because they are not among the local population, and they might enough support from the local branches and they might lose.

This led me to my prediction that NLD would not win a large -- a significant -- enough seats to form the government. Also I looked to the USDP candidates. They are old, well-educated, they are experienced, because they came from the military, they came from the -- currently, they are current office holders, so they are well experienced in running a country, and they are well known, but this well-known factor make them to lose the election.

Because they are not well known in a good way, they are well known in a bad way. They are well known for their arrogance, their corruption, their links to their cronies, their links to the previous military junta, that's why they lose it, they lose in the campaign.

I also looked at their campaign activities, the USDP candidates, they are very, very rich, they can spend so much money. They are actually rolling out their monies, cash, and presents to their constituents to persuade, to buying votes, and some of them actually, making inappropriate remarks during their campaign. For example, Htay Oo, who is the leader of the USDP, make a comment in the campaign that his comments about President Obama's visit to Burma. He said that because of the transformation of the country, led by the USDP Party, U.S. President Obama came to Burma twice.

He was right, but he says again that because he came twice, she was kissed twice. That means that President Obama kiss on the cheek of Aung San Suu Kyi when he came to the country. He had (inaudible) to the point, and show you that Aung San Suu Kyi was not enough to get respect from the majority of the population. But it was, kind of, inappropriate comments, with that he apologized, but he did it already.

Also one of the USDP leaders, Khin Aung Myint, he mentioned about the color. The USDP color is green, the NLD color is red. So he said that red, compare the color red with the bloodshed. He mentioned to the explosion in the Martyrs' Mausoleum during the 1980s, and there was a bombing, and there was a lot of bloodshed, these were red, so he compared the color red to the bloodshed of the bombing.

So, such comments were made by this USDP leadership; that is why they lose in the election. They don't know how to please the people, and they don't know how to get support from the media. Their arrogance, they think that using their powers and their money, they can get the votes from these people. But, no, they are wrong.

So, basically NLD wins a big victory. NLD can form the government because it occupies about 60 percent of the seats in the Union Parliament, which include the 25 percent of the seats reserved for the Burmese military. NLD will form the 14 states and regional governments. NLD will control the 12 states of regional parliament, so it is a big win for the NLD. Also it is a big victory for the people of Burma.

On the night of the election, I met with many friends, my childhood friends, some of them are businessmen, some of them work for the government, so we met together on the night of the election. They showed me proudly their little finger, with this thing with the blob of ink. They said they had done their job, they were very proud of it, and then we decided to celebrate. And then we drive around the city, looked for the restaurant, look for the liquor store, but all shops, all liquor stores were closed, because the Yangon Regional Government issue order, asking all the people not to sell liquor and to close all their restaurants.

So, we could not find a restaurant, we could not find liquor, so we could not make celebration. Then one of my friends said that he is actually, that he (inaudible) one of the Government of Burma. You see, this government is restricting our freedom,

that's why I didn't vote for them. So, let me stop here; and my colleagues will continue other parts of the election and future. I will wait for your questions after that. Thanks a lot.

MR. LIOW: Aung Din, thank you. Priscilla, please?

MS. CLAPP: Thank you very much for that colorful report from the election's front. I had a feeling that the USDP campaign wasn't going to go down well with the people. I'm glad to hear that it didn't. I am going to look at what the election means for the peace process. I'm going to speculate on that, because I don't know, nobody knows.

Starting with where we are right now; the peace process negotiator has been Minister Aung Min, and he didn't win his election, so he will not be in the government of the parliament the next time around, as far as I can tell. However, he is back at work trying to keep the peace process moving forward.

On October 15<sup>th</sup>, they succeeded in signing the national ceasefire agreement that they've been negotiating for almost two years, but only 8 out of, I think, 17 of the negotiating armed ethnic groups signed it, which is not even half. Moreover, the ones that did sign were the smallest, among the smallest. The ones that didn't sign are many, many times larger in terms of number of troops and territory. And the ones that didn't sign, many of them are still fighting with the army.

So, the effect of signing the national ceasefire has really not been felt. What the government wants -- well the government -- What the peace negotiators, the facilitators wanted to do, was go ahead with the signing and start putting -- start putting all of the details in place that would implement a ceasefire agreement. That is monitoring arrangements and negotiating a framework for political dialogue that they hope to start before this government goes out of business at the end of March.



I'm not sure they'll get there, but these two processes are now going on with the groups that did sign the ceasefire agreement. Those who didn't sign are welcome to sit in on the talks but I'm not sure that many are doing that. After the signing ceremony, the Wa, which have an autonomous region on the China border, and have, by far, the most armed forces in opposition to the National Army, they called the non-signatories to a meeting in their capital of Pangsun, and they suggested to them that they ought to start a separate process in anticipation of a new government, that would take the talk straight into a political dialogue.

The Wa were not willing to come into this -- the national ceasefire. They have a bilateral ceasefire with the army but they did not want to be a part of the national ceasefire, probably because it would require accepting the constitution, which they don't do. The constitution took away some of their townships that they claim, they also want to be a full -- they want to have status as a full state, and they are not, they are just an autonomous region in the Shan State right now. So they have some big issues with the constitution and the government, but they would like to participate in the political dialogue in order to pursue those issues.

So they've been pulling the other groups, the Kachin, the Kokang, the Mong La, in particular, and the Palong away from the ceasefire talks. And it's not clear what's going to happen now because there is in effect a separate branch now. The NLD, during the ceasefire negotiations, the talks were between the government negotiators and the armed ethnic groups. They did not include the political parties, and all of these ethnic areas have a number of great -- actually a very large number of political parties.

I'm guessing that the NLD, once it gets itself situated in a new government will be inclined to move beyond the ceasefire stage and start discussing -- start moving into a political dialogue, and broadening the nature of the dialogue to bring

in political parties, and civil society, so that you have the armed ethnic groups, but you also have a much broader representation from all of these areas. It's going to be very complicated. But it will be -- I think we have to look at it as a process of establishing national identity.

The people of the country don't really have a common national identity like we do here, and they need to have a very wide-ranging and free-standing political dialogue, I think, in order to begin establishing a national identity. And that identity will have to involve an equalization of the status of the ethnic minorities with the Burman majority, the ethnic state governments with the national government, and an equitable distribution of resources. Above all, this is about resources now.

When the insurgency started many, many years ago, the civil war, you might call it a civil war, it was about -- the fight on the part of the Army was about holding the country together. And that was basically what Ne Win used when he took over the government -- when he established the first military government. He was concerned about the country spinning out of control, the government in Yangon was losing control of the whole country and he wanted to keep it together.

That persisted through 1990, when the Than Shwe military took over the government, they concluded a series of bilateral ceasefires with the warring parties, and those turned into a design for getting at the resources in some of these areas, particularly the Kachin State. The Kachin State is the repository of probably the most concentrated set of natural resources in the country. You know, its jade, its gems, its gold, its water, rivers, dams, lumber, trees, and the Kachin State is right on the China border, and there's been a lot of illegal trade across that border.

The Chinese entrepreneurs from Yunnan have just been cutting down, or actually paying people to cut down all the trees and ship them over to China. The state is

being denuded, the environmental damage there is really massive, and that's all happened, just since the original Ceasefire was signed in '94. So, those original ceasefires have a very bad taste for the Kachin people, and that's one reason that the Kachin are having trouble coming into this new ceasefire.

Furthermore the military is still attacking them in the Kachin State. It's really a fight for territory, and until the military can get beyond the need to keep attacking these people, it's going to be very hard to make ceasefires work. I think the NLD is going to have a massive problem on its hands, with the culmination of the Wa pulling things in one direction, and the (inaudible) pulling things in another direction.

I don't really see how it comes out, but it's going to be up to -- you know, they need to negotiate some kind of an arrangement with the military in order to make it work. I can't be much more hopeful than that about the future of the peace process. Maybe Aung Din has some better ideas than I do.

MR. LIOW: Renaud?

MR. EGRETEAU: Thank you. Thank you for having me here. And so I'm with the Wilson Center now, I moved from Singapore to D.C. last summer. But thanks for having me here, it's a pleasure. I would like to continue this road of the view with the role of the parliament, what can we expect at the next legislature. As you know, the NLD will control the two houses of the Union Parliament, and at least 10 of the 14 local parliaments.

But first, you may have noticed that the outgoing parliament is still in session, the constitution then does not outline any mechanism to dissolve the parliament, so this current parliament must go until the end of its five-year term, so that is later January. And this lame-duck session convenes on Monday, and will probably last for several weeks. There are about 50 draft bills still in the pipeline, 16 in the Lower House,

and 33 in the Upper House or in between the two Houses, it's a lot.

Among the draft and proposals that have been discussed especially this week, one deals with the Suppression of Prostitution Act of 1949. Another one with a New Organ Donation Law, an amendment was put forward two days ago by the Home Ministry which is controlled by the military, an amendment to the Indian Arm Act of 1878, which is still in force in the country. So it's a mixed bag, and there's a lot of debate going on.

But the most important discussions deal with the budget of next year, as in every parliamentary system, when the end of the fiscal year approaches, ministries try to secure more funds and more money for the next fiscal year. In Myanmar, so the fiscal year starts on 1<sup>st</sup> of April, so when the NLD Government will start. And the current government has submitted supplementary budget requests for each of the 36 ministries, and currently the MPs were told to discuss those requests in their corresponding committees in the two houses.

Then what? What will happen next January? Eighty-five percent of the elected MPs currently still in parliament will leave the parliament; only 15 percent of those elected representatives will remain in the two houses. And among the NLD MPs, who regain their seats, many will probably move to Cabinet position, or be appointed as ministers, so will leave parliament, sometime in March or April next year.

So we'll have a brand new parliament, filled with the majority of first-time lawmakers, Aung Din mentioned that with the NLD, so will lead to experience of the legislative process, but will probably mean that the party, the NLD and the military on the inside also, because they remain -- they keep their 25 percent of seats, will be at the core of the process, of the legislative process, not the MPs, at least in the first few sessions.

The first task of the new parliament will be the election of the two

speakers on the very first day it convenes. We should not, I think, overlook the role of the speakers, Thura U Shwe Mann and Khin Aung Myint, have showed over the past five years how influential the legislative branch could potentially be, and how seriously MPs also took their other side from (inaudible) in particular. Aung San Suu Kyi, in theory, can be elected speaker of the Lower House, where she grabbed the seat again.

I thought it would have been a good, reasonable option for her with a USDP-led government, but now we'll have an NLD-led government, and given the fact that Aung San Suu Kyi obviously wants to control the executive branch, control the presidents and run the government. You just need to read the last interview that she gave to *The Washington Post*, to be convinced of that.

It would probably be considered a breach of dispersion of powers if she leads the legislative branch and becomes speaker. And at the same time, control the presidency and run the governance. So this might be quite tricky, so I doubt now that she will run for this speakership. There might be other NLD MPs, U Win Yin for instance, but I think it's safe to say that we don't know who will be the speakers in both Houses next year, next January.

The speakers and their deputies will then supervise it just a few days after the election, of their own election, so that will probably be the first week of February. The presidential election, here again, I won't speculate on who will be the three presidential nominees, like everybody else I would probably be wrong, but the NLD grabs 390 seats in the two Houses, and unless a handful of results are overturned, which is a possibility, the Electoral Commission will be swamped with complaints in the next few weeks.

And as in during the previous election, right after the government with (inaudible) '10 election, a few results were overturned; eight actually, so there is a

possibility that this is not the definite number of seats that we have today. But at least the NLD can now select two of the presidential nominees, and take care of the presidency, but probably not the first vice president; the Army candidate, if he gets the USDP votes, and a few other ethnic votes, it may become the first-term VP -- the first vice president.

Then the president will have two months to form the government and appoint the 14 chief ministers, but the parliament will probably start its work right away while the horse trading for Cabinet position takes place. But unlike five years ago, when the legislators start from scratch in a very quiet and boring way, this time the legislative agenda that will be really congested in fact.

As I said, there are currently 50 draft bills still in the pipeline, and we are not sure how many will be passed before the end of this current legislature. So the upcoming House will probably be swamped with new proposals, especially if the NLD wants to act fast and quickly pass new legislations of its own, especially symbolic ones, or repeal the old laws especially the most repressive ones.

But many question remains, and I will just outline a few of them, and leave it here for discussion after. First, will the NLD enter right away into a constitutional crisis, and launch a new constitutional reform procedure right away? When the NLD choose to run for the 2012 bi-election that was the main goal of the party, changing the constitution, but now and we can see that through the manifesto that the NLD released in September, just before the start of the electoral campaign, the NLD is quite vague about constitutional reforms.

This manifesto does not even mention the Article 59(f), which bars Aung San Suu Kyi from running for president. The manifesto is very broad, it outlines some 25 pages, it's available in English, and so there's official translation, but it outlines many policy objectives, so that shows that the party is quite aware of the problems of the

country, the state of the society and its economy, but also of the challenges ahead, but it's pretty light in specifics, and do not really detail any concrete legislations that can be rapidly passed or prepared in parliament.

So we don't really know what and how the NLD intends to proceed right away. In that respect, the role of the new constitutional tribunal will be interesting. Its new members will be appointed by the president and the two speakers, nine members, and then probably all will be closely affiliated to the NLD.

Second question, so, where to start? The new MPs and the new government of course will have a daunting to-do list, the challenges after the election, after the landslide victory, will be to keep pace with these huge expectations. The NLD may want to start repealing repressive laws that are still in place, enact a new number of progressive or new legislation to favor more freedom.

But they will probably face a strong opposition from the military MPs who may use the constitution to oppose some of these drafts, arguing that they could, potentially, prevent the defense services to fulfill their own duties, as mandated by the Constitution, so that's why the role of the tribunal will be key in coming month, and in the coming session.

Third, will the NLD MPs or the government as well, address the most contentious issues of the moment. The Citizenship Law for instance, or the law ensuring the protection of race and religion, that were signed by the President Thein Sein last August, these four laws that were really controlled, but we are not sure. In the manifesto of the NLD, there are two issues, two main themes that are not dealt with at all. The first one is foreign policy, there's nothing about the NLD's potential foreign policymaking, and second is religion; there is no mention at all of the place of religion in politics according to the NLD.

And fourth point, and I will leave it here, how will provincial legislators behave? What will be their role? At least 10 of the 14 will be controlled by the NLD, 11 if we consider the Chin State also, or if the NLD is about to strike a deal with Zomi Party. And there will be one probably led by Rakhine Nationalists in the Rakhine State, and the Shan and Kachin State Parliament are going to be messy and very fragmented.

But the NLD has permits to work, to expand the work of those regional and state parliament, and will probably choose to appoint high members of its party as chief ministers and speakers of these regional and provisional assemblies. But we still do not know the -- NLD policy is not clear about what they want to do, and as Aung San Suu Kyi usually says, you will see once we are in power. So I'll leave it here. Thank you.

MR. RIEFFEL: On the economy. The conventional standard of economic progress around the world is per capita income, GDP per capita. Along with some other economists I prefer the standard of wellbeing, which is actually hard to measure, but it's much broader than per capita income. So what I'm going to do, to start with, is to put the economy in its historical context, and look at the last 75 years of economic history in Myanmar by the standard of wellbeing, goings of 10-year intervals.

So let's start at 1940, which I say is the high mark of the sense of wellbeing, economic wellbeing in this country in the last 75 years. 1940, before the war, this is a country which had the largest -- was the largest exporter of rice in the world. It had some frustrations. It was under colonial rule, and there was a sense of sort of the money lenders, Indian money lenders who were sort of in control of the economy, or foreigners who were in control of the economy, to the loss of the Myanmar people, the Burmese people.

But they also had first-class universities, first-class hospitals, doctors, and you know, wellbeing is partly a sense of relative, relative to your neighbors, relative



of the people in your region, and most experts I know, I'll say, that in East Asia the sense of economic wellbeing, or the prospects, I mean, this country in East Asia was doing pretty well in 1940.

Okay, fast forward, 1950, two years after independence the economy had been devastated in the war. There was a major reconstruction process going on. I would say a pretty good sense of wellbeing, because the country was free now. They were their own -- they were their own masters.

Ten years later, 1960, not so good, the civilian parliamentary government had been dysfunctional, economic progress was well short of expectations at independence around the early 1950s, and the military was about to take over the country in a coup.

1970, wellbeing pretty bad, this was eight years of socialist rule, the modern economy had been nationalized, it was a sort of a one-party state, that by all economic measures, this is the country going down.

1980, even worse, even worse, before the end of the decade, Myanmar would be declared one of the world's least-developed countries in the world, by the United Nations. And this was a period, the '70s and '80s, when the other East Asian countries were growing rapidly, so the sense of wellbeing, especially relative to the rest of the countries in East Asia was pretty bad, going down.

1990, this was election year, so there was an amazing election victory by the NLD, in the early years of the new -- even after the election, the results were suppressed, democracy was suppressed. There was a sense of euphoria in the early 1990s because the socialist way had been abandoned, and the market was coming back, and there was more freedom of economic activity, so a sense of wellbeing sort of picked up, not back, I would say, to 1940 standards.

2000, in the year 2000 this country was close to bankruptcy -- was on the verge of bankruptcy and was saved by gas, natural gas exports to Thailand. Also, sanctions and incredible political suppression, so the -- while there was measurable improvement in the economy the sense of wellbeing in the population, I would say, was pretty bad.

2010, another election year: I would say more -- a better sense of wellbeing, but still this was not the kind of freedom that people were expecting and wanted and so forth. Now, 2015, let me go mid-decade, 2015, this year, there is huge -- I would say there is euphoria on the economic -- in terms of sense of wellbeing, this is a country which has been, you know, feels, maybe, that it's been unshackled from the military, but I would say we are looking at a dual economy.

You have a palpable sense of wellbeing in the cities, and almost no progress in the rural areas. Under this last -- Under the Thein Sein government, stagnant, a stagnant real economy, and I would point out, that there's not a single East Asian country that has broken through the middle-income status without rising household incomes in the rural sector.

Quickly, let me guess, in 2020, what is this economy going to look like? Let me start with the best-case scenario, peace process is successful, the political dialogue has succeeded. The NLD is doing -- is meeting the objectives of its campaign manifesto. I still believe that under this sort best-case circumstance, the economy will be mixed. There will be good money, there will be good phones, but there will not good electricity, and a bunch of other things, that there would not be sort of good, institutions for resolving conflict and things like that.

But there is also a central scenario, and the central scenario I would say is muddling along with the country where there is sort of, in economic terms, performing

more like India and Bangladesh than China and Thailand.

MR. LIOW: Thank you, Lex. And thank you to all four of you for putting a whole range of issues on the table. Before we open to the floor, can I just throw out a question for everyone, with regards to foreign policy, because it was not something that was mentioned in any of the presentations?

Understandably so, because I think that Myanmar is looking at a number of years at least of really domestic, you know, preoccupation of domestic challenges and consolidation. But having said that, do you have any thoughts about some possible trends we might be seeing, or we might see with regard to NLD Government foreign policy? Yes, Priscilla?

MS. CLAPP: I can start that discussion. First of all I think we can expect an NLD government to be looking to the West for a lot of assistance. The West has been the main supporter of the democracy forces in the country, and they will be expecting help, but I also expect that the NLD will write its own agenda, and it will tell donors what they want the donors to do. It won't be so receptive to donor suggestions about what they want to do themselves.

I'm just guessing, again. One of the big issues for the new government will be the relationship with China. China is by far the largest most powerful, closest neighbor. They share a very, very long land border, and there is a lot of instability on that border right now. There is a lot of pressure on Burma from China, and they are going to have to figure out how to balance that relationship with the others that it has. I would imagine that this government will continue very much along the same lines of the foreign policy of the previous government, and will remain very close to ASEAN. ASEAN is the security blanket for Burma, and I think they will continue to strengthen that.

Relations with India will probably be quite good. Aung San Suu Kyi

spent her teenage years in India, she went through high school there, and I think she will keep that relationship going. She did a year of graduate studies in Japan, and I'm sure that that relationship will be healthy as well.

So, I think we will see in the tradition of previous governments from the time of -- from the end of the colonial period, we are going to see a balancing of the country's relations with all of the great powers. Trying to keep it evenly balanced; there will be a lot of attention to the U.N., because the U.N. has carried a lot of the water for the democracy forces and for human rights as well.

But, there's going to be one big issue that they are going to have to deal with, and I don't think they want to right away, and that is the situation of the Rohingya. This is of massive concern to the international community, particularly the West, the U.N., and the Islamic world, to name a few. And they are going to face it. They are going to have to do something about it, as much as they don't want to.

I don't know what they'll do, but Aung San Suu Kyi, in her interview, recently said that it had to be approached on the basis of rule of law. I'm not sure exactly how that works out, but I do think it is a reasonable start, because a lot of the problem has a legal basis, and it needs to be sorted out. That's my contribution to that question.

MR. LIOW: Thank you. Lex?

MR. RIEFFEL: I'd like to say something provocative. I, when I started working on this country one of my questions was, you know, who is from the outside, who was helping and who was really hurting this country, and as I look at what foreign aid agencies and international NGOs, and foreign investors, have done over the last five years, my conclusion is that on balance they've done more harm than good. And my concern, going forward, is that with this -- with the NLD, with an NLD government, everybody in the world, if they are not already there now, they are going to want to be

there and part of it, to make a difference.

I have an Australian friend who calls this the "MAD" disease -- Make A Difference and -- you know, and they are going to overwhelm, absolutely overwhelm this new government, and that's so, I mean when people ask me, well, should I go to Myanmar now? I say, unless you are going as a tourist, don't go. And I just hope I'm wrong.

MR. EGRETEAU: Thank you. I agree with you, but we should not expect the next government to be an active foreign policy player in the region. We won't go back to the 1950s when Burma was leading the Asian Solidarity or Non-Aligned Movement. The focus is really domestic, so what's going on inside the country. So, foreign aid of course, the (inaudible) issue, the relation with China and the Chinese investment will be of concern, but we can't expect the new government announcements, with she, herself, to be an active player in the region; in the South China Sea for instance, that issue, or any other.

MR. DIN: In my view, in terms of foreign policy, the most important issue is in dealing with China. So, in case of China, I don't think there will be -- there are differences between the current government and the future government -- incoming government. Because Aung San Suu Kyi also knows very well about China, and she even said repeatedly that we cannot move from a neighbor, we cannot choose a neighbor, we have to deal with the neighbor, and then this neighbor is quite big. This neighbor is quite big, and so I don't think she will choose to confront with China, she will try to find ways to work together with China.

And also she will try to weigh and make a balance between the Chinese influence as well as the -- the (inaudible) under the Chinese influence with the Head of the other countries. And then the other countries it means that they are not -- the United

States nor the Western countries, the area. So, China is -- Burma is now between China and India, and they are both great competitors in the regions, because of their influence, and then to counter the Chinese influence, Burma is -- the new government of Burma might rely on the Head of India.

Also the relationship with ASEAN, I think the new government will make a positive relationship with ASEAN, and by working (inaudible) within the ASEAN communities. And then to also -- It's dealing with the U.S., EU, and the United Nations, I think it might be very -- they will be very careful, because the -- I don't think the NLD and Aung San Suu Kyi will not be very submissive to the demands made by the United States, EU and the Western countries, regarding the situation in Rakhine State.

She knows very well about the situation in Rakhine State, because she is a citizen of Burma, and she also knows how much pressure coming out from the United States, EU and the Western countries. She also knows about the feelings of the people in the Rakhine State, so I think she will make balance to address the situation in the Rakhine State very positively, and very humanly and very practically.

But however she address the situation it might be, it might not be satisfying to everybody in the world, but anyhow, she will not be very submissive to the international demands. That's my opinion.

MR. LIOW: Thank you, Aung. Now we'll open up the floor for a few rounds of questions. Can I request that you identify yourself before asking your questions? We have two hands, the gentleman here, and then --

SPEAKER: Thank you for the learned and helpful discussion. I'm Tom Getman, a longtime NGO executive, including some time in Myanmar. And in spite of what Lex has said, Priscilla was one of the best facilitators of good discussion when she was in her role in Rangoon. In her home with the NGOs, and I'm grateful for that, a long

time, I've needed to say, thank you for that.

So, what about the role of the NGOs in the building of civil society, the ones that have been there for a long time, not the mad ones, but the ones that have been there, and that you've worked with? Is there something to be said for the role, the positive role of the international NGOs that should be lifted up?

MS. CLAPP: Absolutely! I think they've played a critical role in making all of this happen. There are two different kinds of NGOs, and I think Lex was talking about the ones that bring in big-time economic development aid. The NGOs that work with civil society, and political parties, and humanitarian situations will be essential, will continue to be essential. They have been essential for many, many years.

During the time -- 15 years ago, when I was a chargé, this was the bad, old days. I mean it was really buttoned down, it was a repressive military government, and foreigners were very, very carefully watched, and confined in what they could do. And those who came in and worked in the country were quite brave, and most of them are still there now doing good work, and they know an awful lot about what makes the country run. They are some of the best sources of information, and I think that will remain, yeah.

And I think they'll continue to play a critical role, because we shouldn't underestimate the value of what came out of these last five years. This USDP government that lost so badly in the elections, you know, the Minister of Information said, ah, they are just blaming us for the last 50 years. That's true, they were, but they didn't -- if you take the election results, it's seems like they didn't get any credit for what they've done, but they've actually done quite a lot.

They made the election possible. They ran fairly clean elections. They accepted the results of the elections which didn't happen in 1990, and they opened up

the country. They allowed civil society to develop, they allowed people to begin talking about politics, becoming active in political life, and that's what made these elections work. So, I give them their credit from that, they did get tired with the military connection, rightfully so. But, at any rate, the NGOs, the foreign NGOs of all colors that have been in there working for so many years, have really helped enormously to lift up the civil society and make it as vibrant as it is today, and I think that will continue.

MR HIRSCH: Thanks. I'm Steve Hirsch, I'm a journalist. Priscilla, I was interested in what you were saying about the talks of the ethnic groups possibly expanding under the new government. I'm wondering whether, in your opinion, on the one hand, the NLD, and the NLD-led government now, has common goals towards its relations -- towards relations between the Burmans and the ethnic groups, and whether the -- whether you think the NLD government going into broader talks has --

MS. CLAPP: What do you mean, common goals; common with whom?

MR HIRSCH: Internally, internally. Does the government have --

MS. CLAPP: It doesn't matter, it matters what Aung San Suu Kyi thinks.

MR HIRSCH: All right. Well do you think that Aung San Suu Kyi has enough in common with what ethnics want that agreement is possible?

MS. CLAPP: Yes. I think that she is as yet an unopened book on this. She, more or less, avoided the process so far, didn't really participate much in it. NLD people did. When I was -- Whenever I was there at the Myanmar Peace Center for events there were always NLD people there, I mean, senior CEC, and they were close to what was going on. And one of the chief negotiators is a long time NLD supporter, and so they were always well-informed about what was going on. But I think that she was uncomfortable getting too closely-associated with the government process, the MPC government process, because it was so focused on the ethnic armed groups and not the



political parties. And I'm just guessing, that I think she'll be more inclined to broaden it, and bring in political parties, so that it's not just a discussion between armed groups.

SPEAKER: But you don't think there will be such (inaudible)?

MS. CLAPP: Well, she will be the government, and who knows whether the MPC will continue in its current form, we just don't know. It may get transformed into something quite different. The process is largely supported by foreign money in any case, and so the donors are going to have a hand in helping to decide how it moves forward. I sympathize, actually, with that idea, because I think there's been too much emphasis on the armed groups, and that it has led to a splintering of the political element among the ethnic minorities, and they need to be strengthening their political parties.

We saw the effects of that in the election, the political parties really didn't carry a lot of weight, except for the well-established ones, like the SNLD and the Arakan, and they have more than NLD connection than USDP. It's really hard to tell, but as I said earlier, my concern is the threats to the process, not how the process is going to go, but the threats to it, and I think the threats are very serious on the part of the Wa, who may or may not be encouraged by the Chinese to split off.

The Wa, the Maingtha and the Kokang, there is this idea floating around that they would form their own separate state. You know, separate from Shan State, and become a buffer with China. Whether that's real or not, I don't know, but every now and then things come out that lead me to believe that it really is something that's being discussed seriously, and that I think is better threat.

The (inaudible) will really have problems with that, and they are key to getting peace agreements, the (inaudible) are key, the national army is key. And so the NLD, Aung San Suu Kyi is going to have to reach some kind of accommodation with them, if they are going to achieve an end to the fighting. They may be able to move

forward with political discussions, but an end to the fighting is not in sight.

MR. DIN: Let me add a few things. One of Aung San Suu Kyi's close aides, (Inaudible), he is sitting on the Board of the Myanmar Peace Center, so when MPC asked him to join the Board, he did get the permission from Aung San Suu Kyi, that's why he sat on the Board. So, he participated in all the meetings held in MPC, he knows very well about the process of MPC in terms of the peace agreement, so they are ready to pick anything left (inaudible) by the outgoing government to continue the peace process.

But you are right, that even though she's in the government, she must have a discussion with the military to make the peace process as successful and ongoing. So, right now, the military has shown its impatience against (inaudible), and so that's why it has launched a civil offensive in Kachin State, fighting with the KIA and other two ethnic groups, (Inaudible) Palaung Liberation Army as well as the SSE as (inaudible).

So, again, Aung San Suu Kyi might engage with KIA first to convince the Burmese military to stop fighting. Right now I understand KIA leadership; they also wouldn't do (inaudible) with Aung San Suu Kyi. Actually they have a set of the contents of the nationwide ceasefire agreement, they don't argue with that, they like the contents of the (inaudible), what they argue about inclusiveness of all the many angles, which the Burmese current government refuse to allow.

So when Aung San Suu Kyi takes over the power, there will be direct communications between the Aung San Suu Kyi government and the KIA. And then they will have some kind of understanding to stop the fighting in Kachin State. If she wins the trust of the KIA, and then she can convince the Burmese military to stop the fighting, and then she can continue the broad peace process forward.

MS. HAMBURG: Thank you. Cambria Hamburg, with the State

Department. Given her massive mandate, do any of you see any realistic path to Aung San Suu Kyi presidency? You know, say that military -- for instance the military MPs, they said that they would rather deal with her directly as opposed to proxy. Can that even happen, technically, the next five years?

SPEAKER: Thank you, to the panel. My name is Emily Vargas Peron, I'm with the Rice Institute, and I've been working in Myanmar for several years. I have a question about the social sector, social sector for development in the coming years. Over the past three years, Aung San Suu Kyi has been following very carefully the development of policies within the executive branch.

Some of the policies and strategic plans have been very strong, some not as strong. What do you anticipate will be some of her efforts? Will she continue and expand and greatly expand investment in the social sector? Or will she tend to follow a more economic investment point of view which might, if it's uninformed, leave out the social sector, so I'm interested in your observations in general, about the executive branch but also very specially in the policy area.

MR. HALPIN: I'm Dennis Halpin, from the U.S.-Korea Institute at SAIS, but I've worked for 13 years on the Foreign Affairs Committee. My question is about congressional perceptions of Aung San Suu Kyi. I was still on the committee when she got the Congressional Gold Medal, and those limited numbers -- members of Congress who paid close attention to Burma, she was being honored for two reasons. One is as a democratic leader, she has now checked the box on that with the elections, but the other was as a human rights icon.

I mean, she had won the Nobel Peace Prize, and I know the expectations like my former boss, at (inaudible) was a refugee from Cuba. The concerns about the Rohingya and other ethnic minorities, and then-Senator Lugar, both because of

constituent concerns of having Burmese refugees in Indiana, he sent his staff when he was still on the Foreign Relations Committee; Keith Lewis, to Malaysia who did a famous study on Malaysian immigration, and selling Burmese refugees for enforced labor to different Thai concerns.

So, my question is, does Aung San Suu Kyi and the NLD realize that as far a congressional and perceptions in that legislature part of Washington, she has checked the box on democracy, but does she know important it is to check the box on human rights and minority issues? Because when she gave her remarks and the Gold Medal ceremony, she didn't say much, almost nothing about the Rohingya or minorities. I think later on in London, she made some limited remarks later that year, but people in Congress were listening to hear that, and they didn't hear that at the time.

MS. CLAPP: I might start, but I think we also need to hear from Aung Din on some of these questions. But Aung San Suu Kyi, as president, it's interesting in her most recent interview which was with Larry Weymouth, she said, basically position doesn't matter. What's so important about being president? What so important about being a speaker? She said, I'm going to be leading the country. And I think she's not looking so much at the formal position she'll be in as the informal position.

No matter what formal position she's in, she's going to be, by virtue of that huge mandate that she has with the people, she's going to be leading, because she thinks that they expect her to do that, they expect her to crack the whip, they expect her to stand up to the military, they expect her to stand up to the cronies and -- you know, and speak for the little people. And it's going to be a really, really hard road for her, so particularly since she's not allowed to serve in the position as president.

I have a feeling that she's better off not being president for a lot of practical reasons, because I don't think she could manage that and really the

bureaucracy -- well let's say unmovable bureaucracy, it's not so much unruly as it is too much imbued with military mentality.

On the social sector, I think we are going to see her paying a lot of attention to that yes. She's going to probably try to move budget in that direction, more than it has been, but it's not easy to move those things. It's all controlled by the government; it's not a private sector issue. We have -- in our social sector we have a lot of private sector involvement, it's only in governments, just one part of it, but there it's all government.

And so you have to have ministries that are responsive, and that actually gets things done, and that's easier said than done. I don't know how long it's going to take her to do that, but I think we'll see a lot of emphasis on the social sector, and less on the business sector. Although there could be, you know, a kind of a banking crisis early on, I think we need to keep our eyes on the economy, because there are some big problems brewing there, coming out of the reforms of the last five years.

As for the Congress, I think that Aung Din just sort of gave us a clue that she's going to have her own approach to resolving those internal questions, and not necessarily accept the narrative of either U.S. or other international actors on the questions of Rohingya. In many ways I find that there's a lot of misinformation floating around that has affected the way the international community is approaching that problem, and I think she's probably going to try to pull it back in, as Aung Din said, find their own solution to it.

MR. EGRETEAU: Just one point on the constitution, it took 15 years for the military and the previous regime to write it to draft, and write the whole constitutional order. Last June the military MPs vetoed most of the proposal for amendment, so why would they change right now, right after the election? The military has set parameters,

and they don't -- some red lines, and they don't want to move forward. Just because the NLD won, now we have a face-to-face dialogue between the Military and the NLD. Probably that's what the Military wants, and the USDP now is put to the sideline, and it's really a face-to-face dialogue between the NLD and the Military, so they won't go forward.

MR. DIN: Let me try to answer the questions. The first one is about her presidency. The question is that, what the military would deal with her directly or with her policy, because she said that any president will be under her. But now I look into the situation, and I notice that Military and USDP, they are not withdrawing from the power happily, but reluctantly.

So, only they were -- made her presidency by amending the Section 59(f) easily, because they don't want to see her success. So they were trying to deal with her proxy instead of her directly. And they would make more chance for them to make her ungovernable to the country. Right now, for example, let's say, they were with an NLD President selected by her, and she has tried to stand above him or her, there will be lot of constitutional conflict.

Like Renaud said this morning, that this president might be impeached by the parliament for violating the Constitution, if she listened to the orders of his or her party's chairman, so there is a great chance for the military to make her ungovernable to the country during the five years' term. And they are looking at the scenario in Egypt, you know, where Egypt, they have the democratically-led government, and later he was deposed by an army, and the army came to the power.

That will be a great example for them Military and the USDP, they were trying to campaign the next five years, but within five years, they will make her -- a lot of problems and they will make her ungovernable. I think this is what I think they are going to do, by the way. That's why I don't think they will have either precedence, and they will

deal with her directly, and they will prefer to choose to deal with the -- her proxies instead of her directly.

In investment and social sector, you know, it is of high priorities to increase the budgets for health, education, and social welfare, and so she has to fight, she has to fight within the parliament when the budget comes for the debate. The military -- to increase the budget for the social sector, she must reduce the budget for the military spending. So, how much she can bargain? How much she can win? I don't know, but since she has a supermajority in the parliament, she can win by cutting the defense budget and increasing the social budget for the social sector.

But if she does, there will be great fight between the military and the NLD, so then it will have the (inaudible) civil military relations which might lead the country to a chaos. So I don't know how she will play that game, but I think that's why she tried to have the dialogue with Senior General Min Aung Hlaing before the parliament -- new parliament begins.

She might want to comment on Min Aung Hlaing for the -- for the cooperation in which she might try to increase her budget for the social sector, at the same time to reduce meeting at the current level of the defense spending till they agree with General Min Aung Hlaing. But I don't know how she will make the deal, but this is a quite interesting process to see how much she will be able to increase the budget for social sectors.

On human right; Dennis, I've worked with you for many years, that's when you were at the Congress, and then I also appreciate that Congress have given the great honor to our leader, Aung San Suu Kyi, and she is quite grateful for that, too. But I don't think she was (inaudible) burden for -- to give a return for such an honor.

She appreciate that Congress gave that highly respect to her, and she

will be happy that Congress gave her the greatest honor, but she will not bear the burden unnecessarily to both her shoulder, to return something for the members of Congress. And she knows very well about the Congress major concerns, she also knows about the world is -- how all the world is watching on the situation in Rakhine State.

And then just yesterday the U.N. General Assembly adopted a resolution calling for their country to recognize and give the citizenships to the Rohingyas. Also a few days ago, there was so many articles regarding the ethnic cleansing or genocide about in the many media, newspaper. She knows very well, but when it comes to this question, and if she has to work within the country, she has to work with her own people. So there are two issues, one, to recognize the Rohingya as a citizen of ethnic -- of Burma; number two, to recognize -- to give them their full citizenships.

So, I think she will choose the second one. Okay. She will choose the second one. She will not agree with you guys to recognize these people as ethnicity of the country of Burma, because most of the people of Burma don't deserve it, so she will not stand against her own people. But if she feels that these people must have the rights to have the full citizenship, she will work on that, I believe so.

So, yeah, she is a citizen of Burma, she knows the citizenry very well, she also knows that this is the first issue she has address when she has the power. So, she will address this, as humanly and as practically, as much as possible. Thanks.

MR. LIOW: A second round of questions.

MS. CLAPP: Can I ask a question?

MR. LIOW: Yes. Sure. Guest privilege.

MS. CLAPP: I have a question for Renaud. You mentioned that the constitutional tribunal will become very important in resolving some of these issues that the military may try to work through the problem. But the Constitutional Tribunal changes



every five years too, so isn't the NLD going to have a big --

MR. EGRETEAU: Yes, they will appoint their own members.

MS. CLAPP: They'll put their own people to the Constitutional Tribunal?

MR. EGRETEAU: Yes.

MS. CLAPP: So, what impact will that have on military attempts to?

MR. EGRETEAU: We don't know. We don't know. But it's indeed --

MS. CLAPP: I just wanted to raise that, because it's not going to be the same tribunal we have now --

MR. EGRETEAU: Absolutely!

MS. CLAPP: -- which is heavily controlled by the military. Yes.

MR. EGRETEAU: Right. But I'm sure that nonetheless, the military will try to play that constitutional card.

MS. CLAPP: Yes. They will, but the size of the NLD mandate in the parliament is so big, that they will basically control the non-military institutions that relate to the parliament, and I think -- and I haven't thought it all through yet, but I keep coming back to these questions, but I'm sure she's thinking it through, that they've got to get their own, particularly in the area of legal.

She cares so much about the legal system and its weaknesses that I'm sure she's thinking through exactly what she needs to start sorting that out. Because she keeps coming back to that question, whether it's the ethnic minorities or the Rohingya or anything else, she keeps coming back to the later question, the rule of law.

MR. EGRETEAU: There are also a lot of lawyers around her within the NLD, so they most probably will be devoted to key persons.

MS. CLAPP: There are; whether she listens to them. Yes, mm-hmm.

MR. LIOW: Okay let's take the questions on this side first the first round.

Two here, and Prashanth in the middle.

MR. PARAMESWARAN: Hi. Prashanth Parameswaran with The Diplomat magazine. Two quick questions; I wanted to first return to what Aung Din said earlier about the election outcome itself. So, I don't think anybody, you know, before the election predicted a supermajority for the NLD, or, even how badly the ethnic parties did. So, my concern is not about the predictions, you know, and what we got wrong and what we got right.

But I'm just wondering, it might be too early, but what can we learn about any structural factors, things that we missed, about what accounts for this very interesting and unexpected outcome? And then secondly, given the NLD's supermajority as well as its influence, and the fact that the international community vastly underestimated the NLD's popularity, what does that mean, if anything, for U.S. policy? Whether it needs to be readjusted?

MR. RIEFFEL: Right, let's just restrict it to the United States, and let's say, you know, what does that mean for U.S. policy in terms of, is there any recalibration, what are the next steps, in terms of the engagement of the NLD because as all the panelists, I think have suggested, there is a delicate balance the NLD has to walk between, making sure it doesn't alienate the military, but then also making sure that it gets things done, so that in the next election it can still maintain its popularity.

MR. PARAMESWARAN: Thanks.

MS. KUOK: Lynn Kuok, Brookings Institution. Thank you for that. My question, related to the peace process. You mentioned earlier, Priscilla, that Aung San Suu Kyi will probably seek to leapfrog the ceasefires into talking about political -- into moving into political dialogue. What are the chances, you think, of a sustainable peace given that two interest groups in that process would be -- would have the power reduced.

So, you would have the ethnic armed groups who would see the power diluted given that, you know, she will be dealing with a broader group of her representatives from the ethnic states? And also the military who have always in their approach, I think, seen ceasefire as necessary before we can -- we can even start talking about political settlement. So, do you think that a sustainable peace is a likely outcome, or are we going to see increased tensions, and possible fighting?

MS. CLAPP: I thought I said it was going to be a problem.

MR. LIOW: The first question U.S. --

MS. CLAPP: Policy?

MR. LIOW: Yes.

MS. CLAPP: Yes. There will be some changes in U.S. policy. It's not clear what they will be. I think that it's going to take a while, but the administration is already thinking of that, they were anticipating an NLD win. I mean, I don't know what you meant by we all missed it. I don't think anybody thought the NLD wouldn't win, it was just a question of how much, and as Aung Din said earlier, people who watched the USDP develop over the last five years, came to the conclusion that they were actually more competent than we expected.

And that they were out, sort of, trying to be a political party, and that they would do better than they did. What people misjudged was the strength of the public on this. And if you went into the country beforehand, and talk to people, they seemed to be disinterested in the elections, but they weren't. So, I think it's a matter of the way you approach polling, the way you approach questioning, they don't respond in the same way that people do in Western societies.

That they are not direct about it, and people misjudge that. I suspected at the time that there was a lot of misjudgment in the polls that were being done by

Western organizations. When I went in and talked to, for example, NLD groups in local areas, they got it right. They told me how many seats they expected to win, and why. And I see that they know what they were -- They knew how to ask the questions, and they were doing some very clever house-to-house polling, and that sort of thing.

They were doing a lot more than we gave them credit for. People would go in, and see the NLD looking basically disorganized at the local level, but they weren't. Many people who are looking at Myanmar today, are newly-arrived at the scene. They do not understand the dynamics of the country internally. It's a very complicated place.

On U.S. policy, yes, there will be some changes, but I don't think we are going to see dramatic changes. I think it's going to be a process over time, there are a lot of things that have to get sorted out here, because the fact of an NLD Government is a very new -- a new reality here, and it's going to take a while to digest it.

On the question of the peace process, there are huge problems, but I do think that she's going to try to move it towards a political dialogue, and I think she can do that with or without the Military. And I think that she doesn't want to get totally hung up on the ceasefires, and totally hung up on the armed ethnic groups. The armed ethnic groups are not democrats.

Let's understand that right up front, they never have been, and many of them had no interests in these elections, and weren't even going to allow them to happen in their territories. So we shouldn't look at them as, you know, the saviors of the country. They have got to be brought along, and I think that she feels that the democratic parties, that the ethnic minority parties, are more inclined towards, you know, a democratic dispensation, and they need to be in the dialogue. I agree with that. I think there's too much emphasis on the armed groups.

MR. DIN: The first question about the social factors, there I mentioned in

my remarks saying that I underestimated the magnitude of hatred and angers by the people against the Burmese military. Also, I can also add that the people are so sick of the -- Burma was of ultra-nationalist, and each religious kinds; such as the organization to protect race and religions.

So, some Buddhists might, and also many ultra-nationalist, they have been campaigning for USDP to open the door. They reached out to their ordinary citizens, and they say, okay, don't vote for the NLD, because if NLD wins election then the Burma will be under the influence of the Muslim community, so and so. There have been a lot of rumors and negative campaigns against NLD nationwide, but people are so sick of hearing from them, people are so sick of such an ultra-nationalist -- for instance ultra-nationalists.

Now, this election they were so sure that they reject the people of Burma, most of the people of Burma rejected these fighters from ultra-nationalist extremists, religious extremists. And then just look at the Rakhine State, Rakhine State there is north and south, there is no area that -- where the Rakhine people have their -- hold the highest nationalism, they are very strong. And then as southern part, they were very flexible, they are not strong.

So when Aung San Suu Kyi went to Rakhine State she chose to make the government speech in the southern part of the Rakhine State, and she wins. Her party wins 8 seats in 4 townships in Rakhine South, but the other -- Arakan Party, Arakan National Party win under Rakhine (inaudible) altogether 22 seats.

So, is this a kind of her popularity? She'll go into the, you know, the dangerous territory, she explain herself to the people about any miss-thought they heard about her, after listening to the voices of the ultra-nationalists, and religious extremists, but finally she wins over all the hatred against her.

And elderly minorities, they are very divided. Divided means that they formed so many parties; for example, Shan State, they have two (inaudible) parties, and even within the party there are a lot of fight, a lot of fight for their runs for power, or whatsoever. So, they can't even trust each other, that's why they could not even convince their own constituents to trust them, that is why they lost in this election.

I don't mean that they all lost. The Arakan National Party wins a significant numbers of seats to (inaudible) Rakhine State Parliament. Also nation -- National League for Democracy, it also went as significant numbers of seats in Shan State, but those are not enough to control the Shan State Parliament. But anyhow, the most observation about their loss, they are divided, they are not trusting each other. They are also under the influence of personal interest. They have to reform answers before the next five years.

The U.S. policy: I don't know how much it changed with the U.S. policy, but it was quite obvious that only -- just after the elections the U.S. Ambassador, Derek Mitchell, visited to new Bureau; (inaudible) UEC Election Chair, U Tin Aye, also the President Thein Sein, and the Commander-in-Chief, General Min Aung Hlaing.

So it was quite obvious that the United States have paid so much attention on this election, and tomorrow in Manila, I think President (inaudible) is now flying to Manila for a APEC Meeting; and President Obama was -- receive him for the one-on-one meeting. So, I believe that United States has paid the highest level attention on the situation in Burma, and then that is why there will be kind of the policy reviews within a few weeks before the new government takes over the power. But I don't know how they will change, they will adjust the policy, we will wait and see.

And peace process, right now the -- Burma Peace Center is rushing to move away with the ongoing process. Actually there is a schedule arranged within the

nationwide ceasefire agreement. Once they sign the agreement, within two months, they have to found -- they have to have the framework meeting for the political dialogue. Within three months they have to start the political dialogue.

So, they are working within this timeframe, but some members of NLD were not happy about this. Why they are rushing? Why they won't leave us to continue this process. There is some kind of misunderstanding, and some elements within the NLD they really hate the MPC members. So I don't know how it will happen, but it is a process that is moving on by the current government, and then NLD has no choice but to pick at whatever they have left when they take over the power.

MR. RIEFFEL: Quickly, I want to go back to the matter of the NGOs, because I don't want people to misunderstand me. I believe NGOs are doing a lot of good work in this country, but let's think about governance for a minute. I mean wellbeing is determined largely by the governance of a country, it's easy to pass laws, it's easy to make policies, it's not so easy to implement policies and laws. And therefore -- and you know, it is governments that implement policy and laws, not civil society.

So, think about state capacity. We are here talking about a country where state capacity is about as low as you can get. And what happened -- and I would say that the international community has not worked hard enough to develop state capacity, capacity of the government to implement policies and laws and so forth.

I'm also concerned that the NLD will factionalize, very quickly, factionalize, and this is the experience in other countries. It will factionalize, I think, within the first two years, and another thing to look for is how long does it take for the new members of the parliament to raise their salaries, so what's happening now -- has been a little skeptical here, about how democracy operates in this country, and in particular I think we will see absolutely money politics ruling politics in this country in the next five

years.

MR. LIOW: I'm very sorry. I was thinking that we might have some time,  
but I see we've already overshot.

\* \* \* \* \*



CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

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Expires: November 30, 2016