

## **Foreign Affairs and Aid Subcommittee of the Joint Standing Committee on Foreign Affairs and Trade**

### **Public Hearing on Myanmar, 13 April 2021**

#### **Submission by Nicholas Coppel<sup>i</sup>**

In this submission I would like to provide my views on four points identified as of interest to the Subcommittee:

- How long is military rule in Myanmar likely to last?
- What are the implications for Australians doing business in Myanmar?
- What is the impact on bilateral cooperation, such as military, human rights and international development support?
- What can or should Australia do to support the return to stability and democracy?

#### **How long is military rule in Myanmar likely to last?**

On the question how long is “military rule” likely to last, I would like at the outset to note that the military is struggling to consolidate its control over the country and many are refusing to accept them as a legitimate government<sup>ii</sup>. In this context the phrase “military rule” seriously over-estimates their ability to govern. In this submission I will use the term coup or junta.

Shortly after Commander in Chief Senior General Min Aung Hlaing launched his coup, one analyst with more than 20 years of experience working on Myanmar pessimistically proclaimed that “Myanmar’s decade-long experiment in conditional democracy” had just ended<sup>iii</sup>. Another analyst, more optimistically, wrote that “Myanmar’s experiment with partial democracy allowed the genie to escape from the bottle, and the country’s citizens have no intention of putting it back”<sup>iv</sup>.

How long the coup will last depends on whether one assesses Myanmar’s experiment with democracy is over or whether the genie of democracy has escaped from the bottle.

Senior General Min Aung Hlaing has prevented, for now at least, the democratically elected National League for Democracy from forming a government. His plan was to seize power in a bloodless coup, to convince people that there had been electoral fraud, to present his actions as legal and constitutional, and through fresh elections to form a new government dominated by current and former members of the military. He wanted the people to believe that in other respects it would be business as usual: economic policy would remain the same, foreign policy would remain the same and foreign investment would continue to be welcomed. And with this he thought the people of Myanmar would at least resign themselves to accepting a government similar to the military/technocratic administration of President Thein Sein (2011-2016). Under this military-preferred scenario, the coup would morph into de facto military rule and would be indefinite.

In my assessment, Min Aung Hlaing has failed to achieve what he set out to achieve. He has failed to achieve his goal of a bloodless coup, he has failed to convince the people that his actions had constitutional validity and he has failed to read the mood of the people<sup>v</sup>. But this is not the same as

saying that the Civil Disobedience Movement has won or that the coup is coming to an end. I don't think anyone can be certain about when that will happen.

We have already seen how much things have changed in just 10 weeks. Initially, the focus of the coup leaders was on avoiding instability and pretending it would be business as usual under the State Administration Council. But when it became clear that the people did not accept that it could be business as usual, the military abandoned the goal of stability and escalated their crackdown and rounded up many civilians.

There have been proposals for ASEAN or others to mediate. It would not be a bad thing for this to be on the table, but I don't think any progress will be made without two preconditions being met, and possibly also agreement to entertain constitutional reform. The preconditions are:

- First, a recognition that the National League for Democracy headed by Daw Aung San Suu Kyi won the 2020 election and have the right to form government.
- Secondly, Senior General Min Aung Hlaing, as the architect of the coup must step down and stay out of political life.

And even then, there is little in Myanmar's history to encourage us to think that the offer of outside assistance will be accepted by either side. History suggests that Myanmar's troubles will be settled within Myanmar and by the Bamar majority.

There have been suggestions that the current crisis calls for a truly federal system with a greater role for ethnic minorities. There is merit in that, but I would think such large questions will be postponed for inclusion in subsequent discussions on constitutional change. I suspect the National League for Democracy won't allow attempts to resolve protracted and complex issues to delay their return to power.

Resolutions and statements of concern and outrage will not bring about an end to the junta. Nor will targeted sanctions or an arms embargo. Nor will dialogue and externally-supported efforts at reconciliation. Nor will the international community intervene with military force as that is likely to lead to a prolonged conflict and far more bloodshed, and risks creating a proxy war between superpowers. Change can only come from within Myanmar.

We know from the results from individual polling stations where there is a large military community that many military personnel and their family members voted for the National League for Democracy. But that doesn't mean the rank and file and their families are disloyal to the Tatmadaw or its leadership. There is no contradiction between voting for the National League for Democracy and remaining in the armed forces to enjoy extensive privileges including accommodation, education and healthcare. The possibility of a split in the military is unlikely, although it can never be ruled out. Less unlikely is the possibility of an individual soldier or small group of soldiers attempting to assassinate the Commander. But there is no way of knowing whether that is being contemplated or what its chances of success might be.

The best hope for change comes from continuation of the Civil Disobedience Movement and denying the junta legitimacy. Together these might encourage a change of mind within the military and a recognition that their position is unsustainable, or at least some elements of the military might start to think and act along these lines.

The question for us then becomes what can or should we do to support change and the return to stability and democracy. I address this in the final section of this submission.

### **What are the implications for Australians doing business in Myanmar?**

Australia has a very modest commercial relationship with Myanmar and it undoubtedly will shrink as transportation and communication services are severely interrupted and the economy contracts (the World Bank expects Myanmar's economy to contract by 10 per cent in 2021). Foreign firms are leaving, businesses are shutting down and both domestic and foreign investment has dried up. In this environment, the Australian Trade and Investment Commission's resources in Myanmar would be better deployed to more promising markets.

Most commentary coming out of Myanmar calls for targeted sanctions against military personnel and entities, and appeals to avoid economy wide sanctions which harm the people. However, most of Myanmar's senior generals have been sanctioned since the Rohingya crisis. No country has sanctioned the whole country. It is widely accepted that sanctions have little impact unless universally applied, and this would require the United Nations Security Council to mandate sanctions. Russia and China would veto any attempt to seek such a mandate.

Targeted sanctions and arms embargoes by a few countries aren't having an impact on Myanmar's armed forces. They manufacture much of their own uniforms, ammunition and light weapons and import the more sophisticated systems from Russia and China. China also supplies military equipment to the ethnic armed groups in sporadic conflict with the Tatmadaw.

In response to the coup, some countries (including the EU, UK, and the US) have imposed targeted sanctions against the military's commercial interests, including but not limited to Myanmar Economic Holdings Limited (MEHL) and the Myanmar Economic Corporation (MEC) and subsidiaries owned or controlled by them. Most of MEHL and MEC's commercial interests are focused on the Myanmar market and are not connected with global supply chains. For this reason, and because the vast majority of countries do not have sanctions against them, the targeted sanctions in place are unlikely to have a material effect on the businesses or Myanmar's economy.

Nevertheless, targeted sanctions do serve a useful purpose – they signal our strong concern at the military coup and their disproportionate use of force against civilians. Sanctions also give hope and support to the people of Myanmar who are resisting the coup.

Some companies have on their own volition withdrawn from joint ventures with military entities, most notably Japan's Kirin has withdrawn from a joint venture with Myanmar Beer.

For Australian companies, there are difficult decisions to be made. The economic downturn is expected to get worse: the banking system is under stress and services such as payrolls, interbank transfers and international payments are interrupted; internet shutdowns are making it very difficult for many businesses to operate; protests and military violence are making it impossible to do business; confidence is dissipating; customs agents, and port and railway workers are on strike; and other workers are either unable or unwilling to go to work. Many companies will be planning their exit while also weighing up how they can continue to support their workforce. It is the circumstances in the country brought about by the coup, and the prospect of state collapse, that will drive the scaling down and closure of businesses.

Some might welcome this as support to the Civil Disobedience Movement and in the hope that it will help bring about change. Maybe, but as more and more businesses close life for the people of Myanmar will become increasingly difficult. Consequences already evident include power outages, food shortages, poverty, a breakdown in the public health and education systems, and another refugee crisis.

### **What is the impact on bilateral cooperation, such as military, human rights and international development support?**

On 8 April the English language *Irrawaddy* newspaper carried an interview with former US Ambassador to Myanmar in which the interviewer said:

*“Australia has been accused of being too soft, of acting like a ‘Norway of the southern hemisphere’...It has been skittish and people are saying it’s not to be trusted.”<sup>vi</sup>*

Australia’s statements on Myanmar in the post-coup period have been fewer and later than those from the US, UK, and the EU. Clearly, this is getting noticed in Myanmar and having an impact on our reputation and soft power.

To be sure, other countries do not have a citizen detained without proper reason. However, unlike hostage diplomacy in other jurisdictions, there is no suggestion that Professor Sean Turnell is being held to put pressure on Australia or to express displeasure at a policy or statement coming from Australia. He is being held because of his association with Aung San Suu Kyi and Australia should not be shy about making louder demands for his release. The Minister made two statements in the first half of February, but there has been silence in the ensuing period. A regime as brutal as the Tatmadaw is contemptuous of and unresponsive to quiet diplomacy.

There have been calls to not recognise the military regime and to recognise the Committee Representing the Pyidaungsu Hluttaw (a group of members of parliament elected in 2020). However most governments, including Australia, recognise states and don’t announce whether they recognise, or don’t recognise, new regimes in existing states. That said, foreign governments can and do indicate their attitude to regimes which come to power through unconstitutional means. Indicators of attitude to the new regime will be found in public statements, the conduct of diplomatic relations, and the nature and extent of any ministerial contact and other contacts (eg economic, aid or defence arrangements, technical and cultural exchanges).

So while Australia does not officially recognise governments, it can indicate its attitude to the State Administration Council by issuing statements condemning the coup, expressing concern at the detention of political leaders, calling for an end to violence, for human rights and the rule of law to be respected, for information flows and the media to be not restricted, and for a return to democracy. Joint statements, be they by foreign ministers, ambassadors or defence chiefs, give the statements leverage, put us in good company and elevate the matter above bilateral considerations. These statements need to be issued regularly to remove any thought that, with the passage of time, we will all become resigned to a military-led government. In addition to signalling our opposition to the coup, statements send an important signal of solidarity to the people of Myanmar.

## Defence Cooperation

There are two broad arguments made in support of a program of defence cooperation. The first argument is that the training does no harm, it is intended to support the development of a professional army that understands that its role is external security and not internal security. The training is limited to activities such as English language courses, humanitarian disaster relief preparedness and training for international peacekeeping missions. The second argument is that the training is a means of engaging with the armed forces and opens up avenues for dialogue or to deliver messages.

There is little merit in either of these arguments. Myanmar's armed forces, known as the Tatmadaw, are estimated to number 300,000-350,000 personnel<sup>vii</sup>. The proposition that training a few dozen mid-career officers will change an armed force of this size doesn't acknowledge the difficulty of changing culture in any large organisation. Similarly, the scale of Australia's defence cooperation was always trivial in relation to the extensive resources of the Tatmadaw. The Tatmadaw has extensive business interests and is not short of cash – they don't need Australia to pay English language schools to deliver training. Australia's small defence cooperation program did not buy us access.

As Ambassador to Myanmar, I sought calls on the Commander in Chief on a number of occasions. He allowed me to call on him shortly after I presented credentials to the President. This was a courtesy call and it is customary for new ambassadors to have a series of calls on senior ministers and officials after they present credentials. With some delay, he also agreed to see me when on instructions I wished to convey the Australian Government's views on developments in Rakhine State and the forced exodus of over 700,000 Rohingya to Bangladesh. On official provincial visits where there was a regional command, I would also make courtesy calls on the local commanders. The Embassy's Defence Attaché asked to join me on all these calls and he did.

As a matter of protocol, the Commander in Chief would not separately see anyone below the rank of ambassador. Furthermore, defence attaches from all countries were not free to meet with Tatmadaw officers and all their dealings were through one designated international engagement office. It was very frustrating for them.

On 22 February Vice Chief of the Australian Defence Force Vice Admiral David Johnston phoned Vice Senior General Soe Win, his counterpart in the Tatmadaw, to urge the military to refrain from violence against civilians, restore democracy and release all detained civilian leaders. He also called for the immediate release of Professor Sean Turnell. None of these messages has been listened to and the junta has "weaponised" the call by characterising it as a friendly discussion and as recognition of their legitimacy. It was the opportunity to exploit the call, not our defence cooperation program, that allowed the phone call to take place.

Having a defence attaché or a defence cooperation program does not buy access or influence, nor does it open a channel to convey messages. An ambassador has some very limited access and opportunity to convey messages, but a defence attaché does not. This is a comment on Myanmar's secretive and inward-looking system, it is not in any way a reflection on Australia's defence attachés.

In considering the future of Australia's defence engagement with Myanmar we need to have regard also to how any engagement will be received by the people of Myanmar. During the five decades of military dictatorship, the country declined while most of the rest of the world grew. Education and

health services were underfunded and deteriorated. Lives became increasingly difficult. But not for everybody. The armed forces and their families had privileged access to dedicated hospitals and education facilities and of course accommodation in military cantonments. Joining the military was the easiest way to ensure a good life for your family, and wealth if you occupied and exploited certain positions. The extent of this support goes some way to explaining the loyalty of the rank and file, even when given orders to shoot their fellow citizens. Not only do they have a lot to lose if they were to leave, they have developed a strong culture of exceptionalism, “otherness” and unaccountability.

For Australia or other countries to be providing opportunities to what is an already privileged elite has never been easy to justify. The armed forces culpability for the forced exodus of 700,000 Rohingya in 2017 and long history of using disproportionate force against ethnic minorities and now also Bamar citizens only makes it even harder to justify to ourselves, let alone to the people of Myanmar.

### Development Assistance

Some of Australia’s development assistance to Myanmar, especially the governance program which seeks to support the peace process and strengthen democratic institutions, will be difficult to take forward in current circumstances. The peace process and democratic institutions no longer exist.

Australia’s major development investment, however, is in the education sector. It aims to improve teacher training and the school curriculum and by necessity is primarily supportive of the Ministry of Education. With the Civil Disobedience Movement and strike action by some civil servants, it may be difficult to take this program forward. To do so would require engagement with Ministry of Education staff not participating the civil disobedience movement. A suspension of the program might be necessary but I would caution against cancelling it altogether. Myanmar’s education sector is in serious need of reform and support, and an inadequately educated population has been a significant constraint to economic and democratic progress. While the program works through the Ministry of Education, the beneficiaries are the people of Myanmar.

Similarly, scholarships for tertiary level study in Australia benefit the people and are arguably all the more important as educational opportunities in Myanmar are interrupted. There is an opportunity to offer more scholarships while other development assistance programs are on hold.

We need to think carefully about how the aid program can be used to help people and communities in Myanmar and those working for a return to democracy. To avoid legitimising the regime, our aid delivery partners will increasingly need to be NGOs and civil society organisations that can bypass government systems and agencies.

### Immigration Policy

On 16 March *The Australian* reported that thousands of Myanmar citizens in Australia on temporary visas are to be granted extensions on humanitarian grounds under a government policy expected to be announced in coming days. I have not found any announcement on relevant government websites, and would strongly encourage immediate announcement of this reported policy. Even if departure from Australia and travel to Myanmar were possible, it would be unconscionable to

require Myanmar students and other Myanmar citizens in Australia to return to a country that is, in the words of the International Crisis Group, edging towards state collapse.

As there is no end in sight for the coup and the violence in the streets it would be sensible for Ministers to decide now on a longer term policy towards Myanmar citizens stranded in Australia. Extensions to temporary visas do not offer the certainty for Myanmar citizens to establish businesses or otherwise form lives in Australia, or for employers to hire and train workers. A clear and fast-track pathway to permanent residence should be offered.

### **What can or should Australia do to support the return to stability and democracy?**

Change can only come from within Myanmar. But that does not mean we should sit on our hands and wait.

Australia should coordinate more closely with like-minded countries and follow them in imposing sanctions on Commander Min Aung Hlaing and other senior officers, as well as on the two military conglomerates – Myanmar Economic Holdings Limited and Myanmar Economic Corporation – and their 120 subsidiary businesses<sup>viii</sup>. It is not widely known that Australia sanctioned a number of military personnel following the Rohingya crisis and it would be useful, when announcing any new sanctions, to note that those persons remain sanctioned.

The measures and policies proposed above either individually or collectively are not in themselves expected to bring about change in Myanmar. Senior General Min Aung Hlaing and the Tatmadaw more generally are impervious to foreign pressure. They are well-practiced in thriving despite sanctions and the opprobrium of much of the rest of the world. The measures proposed are symbolic.

The people of Myanmar are looking to the international community for support, especially from liberal democracies like Australia. It gives them hope and encouragement to sustain their struggle. International responses to developments in Myanmar also are an expression of values and they seek to articulate and establish norms for international behaviour. For this reason it is important that any new measures be announced. The benefit to Australia and to the people of Myanmar only comes from a public declaration.

Notwithstanding the risks of misrepresentation and the appearance of conferring legitimacy, channels of communication with the junta should be kept open – whether that be through the auspices of ASEAN, through diplomatic channels or through direct senior military-to-military communications. This is a hard point for many in Myanmar and the human rights community to accept, but the unpleasant reality is that an “exit ramp” will at some point need to be proposed and negotiated. An open channel of communication provides the insight into the state of mind of the coup leaders and can be used to propose solutions.

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<sup>i</sup> Nicholas Coppel is a former career diplomat and was Australia’s Ambassador to Myanmar from 2015 to 2018.

<sup>ii</sup> International Crisis Group, The Cost of the Coup: Myanmar Edges Toward State Collapse, Yangon/Brussels, 1 April 2021, [The Cost of the Coup: Myanmar Edges Toward State Collapse | Crisis Group](#)

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<sup>iii</sup> David Scott Mathieson, New York Times, 2 February 2021, [Opinion | The Story Behind the Myanmar Coup - The New York Times \(nytimes.com\)](#)

<sup>iv</sup> Edmund Malesky, Brookings Institute, 11 February 2021, [The genie will not return to the bottle: Understanding the pro-democracy protests in Myanmar \(brookings.edu\)](#)

<sup>v</sup> For my assessment of Min Aung Hlaing see 'Who is Myanmar's coup leader and what does he want?', Asia Nikkei, 26 February 2021, [Who is Myanmar's coup leader and what does he want? - Nikkei Asia](#)

<sup>vi</sup> This is not 'Just another cop': Ex-US Ambassador to Myanmar, The Irrawaddy, 8 April 2021, [This Is Not 'Just Another Coup': Ex-US Ambassador to Myanmar \(irrawaddy.com\)](#)

<sup>vii</sup> Andrew Selth, "'Strong, Fully Efficient and Modern': Myanmar's New Look Armed Forces", Griffith University Asia Institute, 2016.

<sup>viii</sup> Independent Fact-Finding Mission on Myanmar, The economic interests of the Myanmar military, 5 August 2019, A/HRC/42/CRP.3 [Microsoft Word - A\\_HRC\\_42\\_CRP\\_3.Corr.Clean.docx \(ohchr.org\)](#)