

## Academic Inclusiveness in Economic Policy Making: Lessons from Myanmar's Second Democratic Period (2011-2021) and Recommendations for the Future

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### Executive Summary

This policy brief aims to analyze the context of academic inclusiveness during the second democratic period (2011-2021) and present the findings from the analysis. The research utilizes both primary interviews and secondary data. The brief reveals a new perspective that differs from two powerful political groups. The recommendations provided in this brief can help identify economic problems and set policy agendas during the rehabilitation period. These

recommendations are intended for the legitimate government that has recently achieved political legitimacy and will be transformed through pacted transitions among democratic political groups. The brief advocates for the establishment of a Federal Economic Advisory Council with sufficient authority and responsibility, as mandated by statutory law.

### Introduction

Myanmar gained independence from British colonialism in 1948 and lived under a democratic system for about 20 years. During this time, democratic governments collaborated with academia in the institutional structure of economic policymaking. This policy brief aims to analyze the institutional structure of academia inclusiveness in economic problem identification and agenda setting processes during the second democratic period. The period ended with the return of complete military control in state affairs in 2021. The researcher will provide recommendations based on the analysis of academic inclusiveness during the period between 2011 and 2021.

### Analysis of Academic Inclusiveness in Economic Problem Identification and Agenda Setting (2011-2021)

Under controversial 2008 constitution, the USDP[1] won the 2010 general election and the party formed the government. U Thein Sein, who served as the Former Prime Minister, and General Secretary No.1 of SPDC[2] military regime, became the President of the country. Myanmar people did not hope for reforms and liberalization. However, the president relaxed restrictions and opened the door to academia by forming the *Presidential Advisory Council* in 2012. In this council, U Myint[3] led and U Set Aung, U Zaw Oo were included. (Kaung, 2011) Shortly after forming the Council, the President expanded the Council to *National Economic and Social Advisory Council* by inviting two more resource persons, U Aung Tun Thet and U Thant Myint-U. (Myint-U, 2019) At that time, the **National Economic and Social Advisory Council were highly included in economic problem identification and agenda setting processes through direct meetings and consultations to the president. But the noticeable point here, the role of the advisory council is founded in accordance**

with the political will of the President, not even the whole cabinet.

The initial attempts and advice were much welcomed by the President and implemented. The council saw that the first thing for the economy is to create a favorable macroeconomic background. **The council provided not only advice for macroeconomic stability but also their networks and participation in the implementation process of the advice.** At the same time, the Council encouraged the President to continue market liberalization reforms. At first, the President and his cabinet were reluctant to initiate and implement the reforms. The government worried much that high-speed reforms could create chaos if they could not control the speed of the reforms. Meanwhile, the government which was mainly composed of ex-army generals has distrust of foreigners and international organizations. However, in the first three years, the president believed the advisors (despite the opposition of the hardliner ministers) implemented the reforms for creating the macroeconomic conditions, welcoming FDI and poverty reduction.

In January 2013, the government announced *Framework for Economic and Social Reform* which was submitted by the advisory council. (Framework of Economic and Social Reforms, 2013) This official document was utilized as an official framework both for progressive reforms and for evidence to document the reforms. (Anonymous, 2022) The country gained macroeconomic stability and in 2014, the country had the condition to be liberated from the status of Least Developing Countries (LDCs). But with the advice of the Chief Economic Advisor, the President decided to take advantage of being in LDC status. (Anonymous, 2022)

The advisory council built a supportive organizational framework for evidence-based decision making to some extent. The council founded Myanmar Development Research Institute (MDRI). Under MDRI, there are three parts: Center for Strategic and International Studies (CSIS), Center for Economic and Social Development (CESD) and Center for Legal Studies (CLS). (Anonymous, 2022). This supportive organizational framework worked less effectively compared to the evidence-based decision making framework of the next government.

According to “The Hidden History of Burma” by U Thant Myint-U, a former member of National Economic and Social Advisory Council and other anonymous in-depth interviews, the council members and the Presidents rarely meet and the situation for discussion became almost being able to exist only in name in 2015. (Myint-U, 2019) Myanmar generals have distrust of the intellectuals and the foreigners. (Myint-U, 2019) (Thein, 2004) The government got credit for restoring macroeconomic stability back in the country. But **the academia advisory body did lose the chance to discuss with the President about further reforms including the policy advice for economic sustainability in the last year of the government term.** If academia inclusiveness depended only on the political will of the leader, the status of academia inclusiveness in economic policy processes is weakly structured. **History taught that an unconditional and institutional arrangement would be clearly needed indeed.**

The NLD[4] party won the 2015 general election in a landslide. The party got the opportunity to form a government on their own. The NLD government and NLD party dominated parliament appointed party leader Daw Aung San Suu Kyi as “State Councillor”. There was a criticism that the government could not form a presidential advisory council due to the effect of that position name. Daw Aung San Suu Kyi did not continue to use the ecosystem of the advisory council. (Myint-U, 2019)

However, the NLD government formed background technocratic office based on *Myanmar Development Institute* which was initiated in 2014 with monetary support of KOICA[5] and the public institute was implemented under the Ministry of Finance and Planning and operated in 2017. (Mohinga, 2020) (Galaxy, 2018) In addition to MDI, the government had a party-backed policy think tank, RI, “*Renaissance Institute*” (Aung, 2018). The new structure of academia inclusiveness gradually evolved. The government founded “*National Economic Coordination Committee (NECC)*” in which the executive representatives, the legislative representatives and the academia persons (from MDI and RI) are included. The executive director of MDI is U Min Ye Paing Hein who later became deputy minister of the Ministry of Planning, Finance and Industry. The other directors are Professor



Sean Turnell, U Khin Maung Nyunt, U Maung Maung Lwin and Daw Khin Ma Ma Myo. (Aung, 2018) **NECC is not an advisory body, but an economic policy decision making body in which the executive branch and legislative branch come together to make decisions and academic persons from MDI and RI have the chance to provide policy inputs on the spot. The NLD government created a new ecosystem of academia inclusiveness in economic problem identifications and agenda setting processes. Meanwhile, these bodies are hard to be identified as a separated academia body.**

The NLD government was rather late to declare an economic *twelve point plan* which was rather general and wide scope. The government had a strong desire to build a giant foundation which will benefit in the long term to the country. This government emphasized more for a new institutional set-up, *Myanmar Sustainable Development Plan (2018-2030)* in late 2018 as the official economic strategy two years after the election. (Myanmar Sustainable Development Plan (2018-2030), 2018) The government had a political ambition for structural reforms of macro-economy. And another institutional set-up as part of the organizational framework, the government introduced *Project Bank* in order to evaluate the projects systematically by MDI technocrats whether the project will be chosen to implement or not. (Anonymous, 2022) This technocratic decision support system surpassed the system of the former administration.

In terms of supportive technocratic systems, the comparative structure between the USDP government and NLD government is different. In the hands of the USDP government, MDRI-CESD is a supportive technocratic team to conduct research, provide policy solutions and initially target an evidence-based decision support system. But the NLD government created a more diverse structure of supportive technocratic teams under relevant ministries. Although MDI is the successor public research think tank of MDRI-CESD, the institutional structure is different. MDI is officially a research think tank under the Ministry of Planning and Finance. The supportive technocratic teams (for example, Project Bank unit, Public Private Partnership Unit, Economic Competency Unit) are founded under the relevant ministries. Only for

supportive technocratic teams, they become more official and formal under the NLD government.

Although the NLD government was rather slow in economic policymaking in the early years of the execution, the government is consistent in moving forward in the reforms and the government worked together with the academia till to the last days of the execution although a separate advisory body is lacking. This government did not impose an expired date on the academia inclusiveness in economic problem identification and agenda setting processes. **Although the government performed well and cooperated well with the academia persons, the formal and explicit advisory body could have contributed better than the government did. Formality can give more explicit and clear responsibilities to the advisory bodies.** Now it is hard to pinpoint which body is the advisory body of the government.

## Methodology of the Policy Brief

The brief is based on the analysis of academia inclusiveness on economic problem identification and agenda setting policy processes in the last ten years. The researcher approached the analysis with both use of primary and secondary data. The researchers asked primary interviews to four interviewees. With their consent, they are anonymous in the brief. And then the researcher collected quality secondary data from official websites, books, news articles, and social media. Due to systematic compilation of primary data and secondary data, the data is enough to draw recommendations and conclusions although the analysis on the second part of the study period was hard due to the arrest of many politicians in Myanmar.

## Findings and Recommendations

According to the analysis on Myanmar experiences (2011-2021), there are more than several important points on academic inclusiveness in economic problem identification and agenda setting processes. Firstly, the institutional structure of the advisory body of the USDP government was clear and visible. However, without the political will of the president, the advisory body could not be sustained till the last year of that government. This institutional structure was totally changed in the 2015 general election due to the political will of the





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new political leader, election winner. That new institutional academia inclusiveness body emerged and that structure was less visible to see academia inclusiveness in terms of formality. The structure was much complex with the government ministers, parliamentary members and other academic persons. However, there were more supportive technocratic units and they got much monetary support both from governments and from international organizations in comparison to the former government. The last and important point is that the advisory body or other similar bodies did not deliver annual reviews on Myanmar economy and on specific particular issues. The people heard only the voices of the government that the economy was in good condition because of a highly capable and well-committed government.

- To found Federal Economic Advisory Council with a mandatory statutory law which was approved by the Parliament
- According to this law, the President or the Prime Minister, Head of the federal government, must nominate the Chairman of the Council and the Parliament must approve it.
- The Chairman which is approved by the Parliament must found a Federal Economic Advisory Council with four to five academic persons.
- The Chairman or the members of the Council will communicate and give advice to the Head of the federal government on all economic affairs of the whole Federal democratic Myanmar or of a state unit of the country if the state government requests.
- The Federal Economic Advisory Council should publish annual reviews of the federal democratic country and specific reviews on important particular issues.

The academia persons have gathered their knowledge and skills in their respective field for their whole lives. The government should encourage their intellectual contributions to the benefits of the people by forming an official explicit advisory body in an institutionally consistent manner. If the government could not use their expertise and knowledge, the people solely bear the burdens of lost opportunities to take-off for prosperity in the future again.

## Conclusion

Economic problem identification and agenda setting processes essentially needed academic and technical inputs to a significant extent. But despite two democratic periods, the academia inclusiveness is entirely neglected in the rest periods of Myanmar modern history. The result is that Myanmar was drastically pulled into a deep trap of being in a status of Least Developed Countries (LDCs). History already taught the lesson.

Now the country is in great tragedy: political unrest and subsistence economy again. After thriving through storms, the country will definitely calm down in peace and in the rehabilitation period again one day. At that time, the policy brief was intended to utilize academic persons in economic problem identification and agenda setting process for public welfare as much as possible. On the shoulder of the advisory body which will be appointed by the legitimate future government, many problems including national balance of payment crisis, living cost crisis, urgent need to facilitate food, shelter and income assistance and formulation of development plan in the short term, medium term and long term will await in a line. In the scenario without the Federal Economic Advisory Council, the government has to solve the poly-crisis alone and bear the burden. The final bearer of the huge burden is only the common people.



## References

[1] Union Solidarity and Development Party which was transformed into a political party before 2010 general election and the leaders were ex-army senior officers.

[2] State Peace and Development Council. The predecessor regime is State Law and Order Restoration Council which was formed by the military in the 1988 uprising for remaining in the State of Myanmar (Burma)

[3] U Myint is a former UN Economist, the most influential economist at the time and the close friend of popular democracy opposition leader Aung San Suu Kyi.

[4] National League for Democracy which was founded in the 1988 uprising and the party leader is Daw Aung San Suu Kyi, the daughter of U Aung San, Burma's independence leader and national hero for majority Burman or Bama ethnic people.

[5] KOICA – Korea International Cooperation Agency

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