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Asia in 2020: Coping with COVID-19 and other crises

Edited by
Michelguglielmo Torri
Nicola Mocci
Filippo Boni

viella



CENTRO STUDI PER I POPOLI EXTRA-EUROPEI "CESARE BONACOSSA" - UNIVERSITÀ DI PAVIA

ASIA MAIOR

The Journal of the Italian think tank on Asia founded by Giorgio Borsa in 1989

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MYANMAR 2020: ELECTIONS IN A PANDEMIC

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The year 2020 in Myanmar was not substantively different from that of so many other countries. The year was dominated by the COVID-19 pandemic, its socio-economic impact and the government's attempt to cushion its effect and fight against it. The authorities sought to seal off the country from the spread of the Coronavirus from March onwards and managed to contain the first wave quite successfully. After the summer, though, the country experienced a surge in cases and deaths, also among migrant workers abroad. In their efforts to provide relief and support to households and businesses, the authorities were assisted by donors, international financial institutions and key allies such as China. Yet, the impact was severe. Two other issues were also of great significance. Parliamentary elections were held on 8 November. The National League for Democracy (NLD) secured another landslide victory again, just like in 2015. Aung San Suu Kyi's star status domestically remains unchanged and was boosted by her appearance at the International Court of Justice (ICJ) hearings in 2019 and during the pandemic. At the same time, more than a vote for the NLD per se, the vote appeared to be the reflection of what the party stood against: the military. The Tatmadaw's protests during the campaign and after the elections lay the ground for an escalation of the tensions between the two. The clashes in Rakhine state between the Arakan Army and the Myanmar army intensified up to the point that the parliamentary and local elections had to be cancelled in some townships. A Japan-brokered ceasefire later in the year opened the way for negotiations and gives some cause for optimism for reducing hostilities and violence.

KEYWORDS – Elections; NLD; Rakhine; conflict; COVID-19.

1. Introduction

The year 2020 took off from where the previous one had ended, namely the fallout from the hearings at the International Court of Justice (ICJ) in The Hague, following the case brought by The Gambia earlier last year, as the country accused Myanmar of violating the 1948 Genocide Convention in relation to the 2017 operations against the Rohingya population in Rakhine state. Yet, quickly into the new year, both the domestic audience for and international attention on the ICJ court preliminary ruling and the Rohingya became overshadowed by another issue: the global pandemic caused by the Coronavirus (COVID-19).

The authorities sought to seal off the country from the spread of the Coronavirus from March onwards, and they managed to contain the first wave quite successfully. After the summer, though, Myanmar experienced a surge in cases and deaths, also among its migrant workers abroad. With the vital assistance of donors, international financial institutions and key allies such as China, the government in Nay Pyi Taw also strove to limit the economic and social impact of the pandemic; yet, the economy took a hit, and the livelihoods of millions were significantly affected. With over 130,000 cumulative cases as of 20 January 2021 and 2,997 deaths, the country did not perform worse than countries with considerably stronger and better-resourced healthcare systems.¹

The article is structured as follows. First, I discuss the ICJ's preliminary ruling and its reception by the Myanmar authorities. I also review the findings of Myanmar's Independent Commission of Enquiry, which also published its report. Next, I turn to the pandemic, which constitutes a thread throughout this article, and the two other key domestic issues of 2020: the elections and the conflict in Rakhine state. The next section sheds light on the economic impact of the pandemic. In the final section, I explore the transnational dimension of the pandemic, touching on vaccine diplomacy and China's role in it, before looking at how the surge in Coronavirus cases among migrant workers in Thailand became a sore point in bilateral relations. Similarly, cases rose in the refugee camps in Bangladesh, but there was no outcry as this was a priority for neither Bangladesh nor Myanmar.

2. *Domestic policy*

After the pandemic struck globally in the early months of 2020 (in March for Myanmar), the Rohingya and the case brought by The Gambia to the International Court of Justice took a back seat as the government's attention shifted to crisis-mode because of the COVID-19 pandemic. Aung Saun Suu Kyi, the NLD and the country as a whole embarked on a long electoral campaign that preceded the 8 November parliamentary elections.

1. For regularly updated data on this see the *Covid-19 Dashboard by the Center for Systems Science and Engineering* at Johns Hopkins University, available at <https://www.arcgis.com/apps/opsdashboard/index.html#/bda7594740fd40299423467b48e9ecf6>. An important caveat applies here: this is likely to be a considerable underestimate of the actual extent of the pandemic, which is contingent on, among others, availability of mass testing (and people actually being tested) and the way in which COVID-19-related deaths are counted.

2.1. *International rulings and domestic enquiry on the 2017 events in Rakhine*

State Counsellor Aung San Suu Kyi² represented Myanmar at the hearings in The Hague in November 2019, during which she defended the country whose authorities – the armed forces in particular – were accused of carrying out a genocide against the Rohingya minority in August–September 2017.³ This was following the case brought by The Gambia to the International Court of Justice (ICJ),⁴ the UN body of which Myanmar – as a member state – is part, and therefore has to abide by its rules and attend the hearings. In an appearance which was controversial outside Myanmar⁵ but was widely popular at home, Daw Suu sought to counter what she perceived to be misunderstandings and mischaracterisations of the domestic situation in the country. In her testimony, the State Counsellor argued that the ICJ case had been driven by «specific testimonies of victimisation and consequently [has been] rendered inseparable from the narrative they feed». Further, she argued, «the case relies extensively on the fact-finding mission by the UNHRC [itself] dependent on interviews with refugees in Bangladesh».⁶ These, she stated, tended to provide «inaccurate or exaggerate information».⁷ There was nothing new in her reading of the 2017 events, the context in which they took place or the broader background of Rohingya discrimination and victimisation dating back decades.

2. In this article I use the names Aung San Suu Kyi, Suu Kyi and Daw Suu interchangeably, as the latter two expressions are widely used in the country to refer to the State Counsellor.

3. This is discussed in greater detail in Matteo Fumagalli, 'Myanmar 2019: «The lady and the generals» redux?', *Asia Maior*, XXX/2019. A brief summary of what happened can be found in Matteo Fumagalli, 'Myanmar 2017: The Rohingya crisis between radicalisation and ethnic cleansing', *Asia Maior*, XXVIII/2017. In brief, through a build-up in organisation and military training, on 25 August the militant Arakan Rohingya Salvation Army (ARSA) launched 30 attacks on police posts and an army base in northern Rakhine state. The Myanmar military's response was brutal and unprecedented in scale and impact. A combination of indiscriminate killings, torture, mass rapes, and the burning of entire villages, drove hundreds of thousands – possibly up to 700,000 – of ethnic Rohingyas beyond the border with Bangladesh in one of the largest exoduses in modern times.

4. Other countries, including Argentina, have tried to take Myanmar to other courts, national or international (such as the ICC), but Myanmar has refused to comply as it was not legally bound to do so.

5. On international criticism of Daw Suu's defence of the military's handling of the Rohingya in 2017 see Adam Simpson, 'The Rohingya crisis: nationalism and its discontents', in Adam Simpson & Nicholas Farrelly (Eds.), *Myanmar, Politics, Economy and Society*, London: Routledge, pp. 249-264.

6. Aung San Suu Kyi, 'Give Myanmar time to deliver justice on war crimes', *Financial Times*, 23 January 2020.

7. *Ibid.*

The preliminary ICJ ruling,⁸ published on 23 January, recognised «the extreme vulnerability of the Rohingya and the irreparable harm they received». It demanded that Myanmar's authorities take steps to prevent the genocide of the Rohingya. In addition, the ICJ ordered Myanmar «to take all measures within its power to prevent killing members of the group, causing serious bodily or mental harm to members of the group». The ruling could be interpreted in two ways, allowing both sides to claim some sort of vindication. The ruling could be regarded as a request that Myanmar stop carrying out the genocide of the Rohingya, which was already underway in 2017, or a demand that steps be taken to avoid that violence against the Rohingya occurs in the future. The case itself was controversial, in that some saw in The Gambia's explicit pursuit of genocide charges its biggest weakness as it would have been more realistic – and the goals more achievable – by pressing for charges of war crimes or ethnic cleansing. Regardless, the ICJ ruling is difficult to enforce and depends on the parties to willingly implement the ruling. The United Nations Security Council might have the powers to push for its implementation, but with Russia and China as permanent members with veto powers the chances of that happening are next to none.⁹

Aung San Suu Kyi has been adamant over the past few years that an investigation should be carried out domestically, by Myanmar's authorities and according to local law and not internationally. In fact, the Myanmar authorities had run their own investigation into the 2017 violence. In January 2020 the Independent Commission of Enquiry (ICOE) also published its findings,¹⁰ placing all responsibility for the outbreak of the violence on the attacks perpetrated by the Arakan Rohingya Salvation Army (ARSA).¹¹ The report acknowledged that widespread violence had followed – as a «response». Although the report contains some reference to the discrimination of local Muslims (never identified as Rohingya), it also portrays a rather simplified view on local resentment, grievances and the drivers thereof. The ICOE found «no evidence of genocide» against the Muslim population (the Rohingya, primarily), but acknowledged that «possible war crimes» were committed by individuals, giving «reasonable grounds» to conclude that members of security forces were responsible for possible war crimes and serious human rights violations. At the same time, the ICOE did not find any

8. 'Aung San Suu Kyi comes out on top in ICJ Rohingya ruling', *Nikkei Asia*, 8 February 2020. The text of the ruling can be found here: <https://www.icj-cij.org/public/files/case-related/178/178-20200123-ORD-01-00-EN.pdf>.

9. John Reed & Michael Peel, 'UN's top court orders Myanmar to stop alleged genocide', *Financial Times*, 23 January 2020.

10. 'Myanmar govt-appointed panel finds no genocide against Rohingya', *Nikkei Asia*, 20 January 2020. The report and related documents are available here: <https://www.icoe-myanmar.org/icoe-pr-final-report> and here <https://www.president-of-fice.gov.mm/en/?q=briefing-room/news/2020/01/21/id-9838>.

11. Matteo Fumagalli, 'Myanmar 2017'.

evidence «suggesting the killings of acts of displacement were committed pursuant to an intent or plan to destroy the Muslim or any other community in northern Rakhine state». Thus, according to the report, there was nothing systemic in the 2017 violence, in an egregious instance of government-sanctioned «whitewashing».

2.2. COVID-19

The Coronavirus struck in Myanmar in two waves in 2020. Initially, as the country sealed its borders in March to isolate itself from a virus whose rapid transmission was enabled by lax regulation in international travel, it seemed that the worst impact had been avoided from a public health point of view, as infection cases remained relatively contained to a few thousands, deaths contained to a few dozens and the mortality rate (1 per 100,000) also comparatively low.¹² Despite an initial sense of relief regarding public health, the economic impact was severe, with factories being shut down, lockdowns and curfews imposed, workers laid off and migrant workers returning from abroad.¹³

From early September onwards, cases and deaths have spiked, with around 3,000 deaths reported by the end of December.¹⁴ By then the epicentre had moved to Yangon, the country's largest city and most heavily populated urban centre. In the early months of the pandemic, Aung San Suu Kyi established an active presence on social media, opening a new personal account on Facebook to establish some form of direct communication with the Myanmar public, advising citizens on health care, transportation and health education.¹⁵ I return to the socioeconomic impact of the pandemic in section 3 and on the transnational dimension in section 4.

2.3. Elections

Despite all this, parliamentary elections were held regularly; however, the campaign was inevitably affected with most in-person rallies being curtailed and shifted online. Myanmar may not be more than an electoral democracy at best, and due to a veto role reserved to the military that is enshrined

12. Shibani Mahtani & Cape Diamond, 'A coronavirus wave is hitting Myanmar, but Suu Kyi vows elections will go ahead', *Washington Post*, 9 October 2020.

13. Rory Wallace, 'Myanmar's viral denial turns to economic despair', *Asia Times*, 14 May 2020; Bertil Lintner, 'Covid-19's hidden threat in Myanmar', *Asia Times*, 7 July 2020.

14. Zue Zue, 'Myanmar's daily Covid-19 infections fall below 1,000', *The Irrawaddy*, 29 December 2020. For daily updates on infections and deaths see <https://www.worldometers.info/coronavirus/country/myanmar>.

15. Yuichi Nitta, 'Suu Kyi's Facebook urge reveals fragility of Myanmar democracy', *Nikkei Asia*, 26 May 2020.

in the 2008 Constitution, there is no level playing field either.¹⁶ Yet, these nonetheless represent crucial moments in the process of political liberalisation initiated in 2011.

Aung San Suu Kyi appeared to wrangle with the military on the constitution in March, when the NLD proposed constitutional amendments that would have reduced the military's share of seats in the parliament.¹⁷ This would have been significant in that it would have lowered the majority of 2/3 needed to revise the charter. Other amendments included a proposal to require a civilian majority in the choice of the commander in chief. Nothing came out of these proposals due to the opposition in the parliament by military appointees and the Union Solidarity and Development Party (USDP), closely aligned to the Tatmadaw.

The November elections were the fourth in a decade since the military allowed relatively more open contests in 2010 (boycotted by the NLD). These were followed by more competitive by-elections in 2012, won by the NLD and then the general elections of 2015, which the NLD won in a landslide. Of the 664 seats in the two chambers (440 in the lower house, the Pyithu Hluttaw, and 224 in the upper house, the Amyotha Hluttaw), 498 were contested in single constituencies, once 25% of the seats are taken out as reserved to military appointees. A majority of 322 would be required to form a government and nominate the new president. 498 votes are required to bypass the votes by the military to approve constitutional amendments. Votes were cancelled in 15 constituencies of the lower house and 7 in the upper house due to conflicts in the Rakhine and Shan states. Because the Rohingya were not allowed to vote (as in 2015) and due to the cancellation of votes in several constituencies, more than one million people were disenfranchised.

The elections returned another landslide victory for the NLD.¹⁸ In the Upper House, the NLD secured 61.6% of the popular vote, gaining 138 seats, (+7 from 2015), whereas the USDP faced another crushing defeat, obtaining only 3.1% of the vote (7 seats, down 6 from 2015). Ethnic parties, despite some tactical mergers to overcome the structural difficulty to challenge the NLD in a first-past-the-post electoral system, did not deliver, as they received a combined 6.6% of the voters, with 16 seats (-3). In the Lower House, 58% of the voters returned 258 seats (+7 from 2015).

This is a resounding mandate, at a time when limited progress on the 2015 pledges had led observers to expect a less strong performance for the NLD and more gains for the ethnic parties. The party basically won every seat in the Bamar-majority heartland of the country and even managed to gain

16. Richard Horsey, 'Myanmar election will fall short of democratic standards', *Financial Times*, 10 September 2020.

17. 'Suu Kyi's party picks pre-election fight with Myanmar military', *Nikkei Asia*, 9 March 2020.

18. Moe Thuzar, 'Unpacking Myanmar's 2020 vote', *ADRN Research*, 7 December 2020.

more seats in the minority areas.¹⁹ The USDP has clearly failed to reinvent itself as a party, which is not a military «add-on», let alone a credible opposition to the NLD and one that can articulate a different vision for the country.

Although the country is becoming increasingly red (the political colour of the NLD), the outcome of the elections – with the electoral system that encourages a majoritarian and winner-take-all approach to politics – risks threatening to divide the country further, rather than unite, unless the NLD and its leadership realise that much more needs to be done to include ethnic minorities, ensure they have a voice and that their voice is not just heard but also channelled into policy-making, so that Myanmar can truly become a country for all of its diverse peoples. In the ensuing months, the USDP (first) and the military (later) raised a number of complaints concerning the compilation of the voters list and the counting of votes, accusing both the NLD and the Electoral Commission of widespread irregularities, fraud, and of treating their formal complaints with contempt. International observers considered the elections free and fair, but the Tatmadaw refused to back down from its claim, paving the way for an escalation with the civilian government.²⁰

2.4. *The Rakhine conflict and beyond*

The year had started perilously with an escalation of hostilities between the Arakan Army and the Myanmar military. Since early January 2019, violence has escalated in Rakhine state between the Arakan Army, a militant ethnic Rakhine Buddhist organisation, and the Myanmar security forces.²¹ The conflict stems from historical grievances between the local Rakhine population and the Burmese state. Historically, the Burmese kingdom did not control the sway of territory extending over the coastal areas of today's Rakhine state, instead controlled by the Arakan Kingdom until it was annexed by pre-colonial royal Burma in 1785 before the first Anglo-Burman War (1824–26) annexed this portion of territory to the British Empire.²²

19. Richard Horsey, 'Another landslide victory for Aung San Suu Kyi's party in Myanmar: but at what cost?', *International Crisis Group*, Q&A Asia, 12 November 2020.

20. San Yamin Aung, 'Myanmar military claims to find over 70,000 irregularities on voters list', *The Irrawaddy*, 24 December 2020; 'Myanmar army raises further concerns after voter-fraud claims', *Mizzima*, 27 January 2021.

21. For background see Matteo Fumagalli, 'Myanmar 2019', pp. 313-314.

22. For a broader historical overview of the relations between Arakan and pre-colonial Burma see Jacques P. Leider, 'Conflict and mass violence in Arakan (Rakhine state): The 1942 events and political identity formation', in Ashley South & Marie Lall (eds.), *Citizenship in Myanmar. Ways of being in and from Burma*, Singapore: ISEAS, 2018, pp. 193-221; D. Mitra Barua, 'Arakanese Chittagong became Mughal Islamabad: Buddhist-Muslim Relationship in Chittagong (Chottogram), Bangladesh', in Iselin Frydenlund & Michael Jerryson (eds.), *Buddhist-Muslim Relations in a Theravada World*, New York: Springer, 2018, pp. 227-260; Alexandra De Marsan, 'How Muslims in Arakan became Arakan's foreigners', in Georg Winterberger & Esther Tenberg (eds.), *Current Myanmar Studies. Aung San Suu Kyi, Muslims in Arakan*,

Burmese annexation, British colonisation and the rise of Bamar nationalism in the early 20th century, and compounded by impoverishment and limited economic development in the post-independence era, led local Rakhines (both Buddhist and Muslims, though this conflict opposes Buddhist Rakhine and the Myanmar authorities) feeling increasingly marginalised and excluded from the state.²³ More proximate causes for the current violence include the contempt for local affairs and politics by the NLD, which imposed its own party appointments on the state. The arrest of local Rakhine leaders further fuelled grievances, which ultimately sparked the outbreak of violence in January 2019. In March 2020, the central authorities designated the Arakan Army (AA) as a terrorist organisation.²⁴ The situation in large sways of Rakhine state has been one of a law and security vacuum. Unlike other ethnic armed organisations in Myanmar, the AA's experience and interest in governance is limited, even though the AA controls some territory to the north of the state and the Kaladan river, south of Sittwe and even close to Paletwa in Chin state.²⁵ Its relatively young leadership has relied on targeted killings and kidnappings, targeting police and civilians suspected to be accomplices of the Myanmar authorities.²⁶

For much of 2020, violence gave no sign of abating. Although the situation seemed to be getting extremely tense, unexpectedly the AA and the military announced an informal ceasefire in November, brokered by the chairman of Japan's Nippon Foundation, Yohei Sarakawa.²⁷ The ceasefire was designed to build some trust and achieve a more sustainable long-standing ceasefire, potentially involving the AA in the peace negotiations too, should they renounce violence and accept the framework of the National Ceasefire Agreement and the government-led peace process. On 12 November, the AA urged the government to hold elections in the affected regions of Rakhine, which was immediately welcomed by the military. Informal talks followed on 25 November, 9 December and 30 December.²⁸ In December, the AA and its partners in the Brotherhood Alliance (The

and Economic Insecurity, Newcastle: Cambridge Scholars Publishing, 2019, pp. 59-98; Elliot Prasse-Freeman & Kai Mausert, 'Two sides of the same Arakanese coin: «Rakhine» and «Rohingya», and ethnogenesis as schismogenesis', in Pavin Chachavalpongpun, Elliot Prasse-Freeman & Patrick Strefford (eds.), *Unraveling Myanmar: Progress, Retrenchment and Ambiguity amidst Liberalization*, Chicago: University of Chicago Press, 2020, pp. 261-289.

23. International Crisis Group, *An avoidable war: Politics and armed conflict in Myanmar's Rakhine state*. Asia report n. 307, 9 June 2020.

24. *Ibid.* p. 14.

25. *Ibid.*

26. *Ibid.*, pp. 8-9.

27. Nyein, 'AA frees three abducted NLD members, three soldiers in Myanmar's Rakhine state', *The Irrawaddy*, 1 January 2021.

28. *Ibid.*

Ta'anang National Liberation Army, the Kokang Myanmar National Democracy Alliance Army) extended their unilateral ceasefire till the end of February 2021. On 31 December, the military extended its own unilateral truce covering much of the country till 31 January 2021 to restore «eternal peace».²⁹ In the immediate, this would allow the Myanmar authorities to expedite the peace process with the ethnic armed organisations (EAOs) and to facilitate COVID-19 prevention, containment and treatment across the country. On 1 January 2021, the AA released three members of the NLD whom it had abducted in October, and freed the soldiers captured in late 2019 as gestures of goodwill.³⁰

The State Counsellor took the opportunity to inject fresh energy in the otherwise stalled peace process.³¹ Adding momentum, Daw Suu announced plans for a «new peace architecture», in essence a more inclusive version of the Panglong Process/conferences, more inclusive and with a greater opportunity for public participation.³² The National Ceasefire Agreement was signed in 2015 between the government and eight ethnic armed organisations (later two others joined). However, there was some fighting between some of them and the Tatmadaw in the following years. The government is seeking to make progress before the 75th anniversary of the original 1947 Panglong Agreement, and more generally, on the path towards a democratic federal union.

3. *Economy*

Predictably, the economy took a hit during the pandemic, and the livelihoods of many were affected. Myanmar's experience resembled that of so many other states, confronting a false dilemma³³ between public health and the economy and choosing which of the two crises (the former, if mishandled, causing the latter) to tackle.

Although the country implemented various restrictions in March, – including a halt to inbound international travel – problems had already begun to surface in January. In fact, local clothing factories were forced to stop running overtime because of dwindling stock due to lockdowns being

29. *Ibid.*

30. Sebastian Strangio, 'Will supplementary elections be held in Myanmar's Rakhine state?', *The Diplomat*, 11 January 2021.

31. Sebastian Strangio, 'Aung San Suu Kyi announced reboot to Myanmar peace process', *The Diplomat*, 7 January 2021.

32. Nan Lwin Hnin Pwint, 'Myanmar's Daw Aung San Suu Kyi unveils «new peace architecture policy»', *The Irrawaddy*, 5 January 2021.

33. There have been many examples, primarily in Asia and Oceania, where governments did not feel they had to choose between public health (implemented through lockdowns and restrictions of individual liberties) and the economy but could effectively protect one and the other. Taiwan and New Zealand are cases in point.

imposed in China. In the immediate time period, this meant reduced working hours and job cuts.

An early COVID-19 economic relief package worth US\$ 2 billion (worth around 2.5–3% of GDP) was announced in April.³⁴ During the summer, Aung San Suu Kyi secured further support from donors and international financial institutions (IFIs).³⁵ The Asian Development Bank lent US\$ 250 million for COVID-19 relief measures to support the government budget and provide support to low-income families and enhance the health-care system and COVID-19 prevention, treatment and containment.³⁶

Yet, despite domestic economic relief packages and external support, the impact was severe. Borders have been closed since March and supply chain blockages have impacted Myanmar's economy. For example, 75% of services, retail, wholesale, manufacturing and agricultural firms have suffered, resulting in a reduction in production, difficulty in getting products or services to customers, and cash-flow shortages.³⁷

If the first part of the year had been challenging, the surge in cases and the tough lockdowns and curfews imposed especially in the main commercial city of Yangon, sent the economy into a tailspin.³⁸ Overall, the country was confronted with «multiple disruptions, including trade with China and other key partners and investors, collapse in tourism and garment exports, all of which have devastated household incomes».³⁹

The hospitality sector was especially affected, causing many hotels to close and their employees to be laid off. The garment sector faced implosion. This is a crucial sector, which employs over half a million people, with 420 factories operating in the country, half of which are Chinese owned.⁴⁰ Difficulties stem from problems with disrupted supply chains from China, the closure of factories in Myanmar and the lack of orders from the European Union, one of the country's main export markets.

US\$ 210 million have been distributed to poor families in the form of cash grants (with handouts of around US\$ 15),⁴¹ with the bulk of government aid going to companies. As fiscal deficits are low, there would have been space

34. Kyaw San Wai, 'Myanmar's Covid-19 response banks on Aung San Suu Kyi', *East Asia Forum*, 31 July 2020.

35. Nitta, 'Myanmar's Suu Kyi project pro-economy image'.

36. Nyein, 'Myanmar takes \$250m loan from ADB for Covid-19 relief', *The Irrawaddy*, 29 July 2020.

37. Nan Lwin, 'World Bank reports on how Covid-19 hammered Myanmar's businesses', *The Irrawaddy*, 13 October 2020.

38. Thant Myint-U, 'Myanmar should use COVID crisis to end 30 years of crony capitalism', *Nikkei Asia*, 20 October 2020.

39. *Ibid.*

40. Myo Pa San, 'Myanmar's garment sector facing implosion as orders slim, with covid-19', *The Irrawaddy*, 15 July 2020.

41. Nan Lwin, 'World Bank reports on how Covid-19 hammered Myanmar's businesses', *The Irrawaddy*, 13 October 2020

for additional borrowing, but the NLD government appeared reluctant to do so. US\$ 1 billion has been made available by international financial institutions and donors, with another US\$ 1 billion more potentially available, but again the authorities' response on this front appears slow. The IMF initially approved a US\$ 356 emergency loan in June 2020, before approving another one worth US\$ 350 million towards the turn of the year. Importantly, Myanmar also secured US\$ 950 million from the IMF to obtain funding to purchase vaccines under a World Health Organisation programme.⁴²

Aside from the pandemic, underlying issues remain, perhaps the most problematic of which is the role of the military in the economy. The Tatmadaw still controls several holdings, and many businesses are connected to them. In addition, corruption remains widespread across many sectors of the country's economy, and the government has made only very limited inroads into tackling this problem.⁴³ This also confronts foreign investors with a dilemma, and so many of them continue to enter deals with military-affiliated holdings, willingly or unwillingly failing to conduct due diligence as in the case of HSBC and Standard Chartered banks, who have lent money to the Vietnamese telecommunications company Viettel, which later invested in MyTel, Myanmar's mobile business company allegedly close to the military, or Australia's Future Fund, which invested in a subsidiary of Indian TNC Adani, doing business with the Myanmar Economic Corporation in Adani Port and other Special Economic Zones.⁴⁴ Although some such as Thant Myint-U, have called for using the changes imposed by the pandemic as an opportunity to rethink the Myanmar economy and the role of crony capitalism therein,⁴⁵ this appears to remain unfeasible for the foreseeable future, given how entrenched military interests are in what has been rightly termed «khaki capitalism».⁴⁶

4. Foreign policy

4.1. China's role, from the BRI to vaccine diplomacy

As access to the Pfizer-BioNTech, Oxford-AstraZeneca and Moderna vaccines appeared to be a privilege reserved to wealthier countries, China – and

42. Zaw Htwe, 'Myanmar secures second IMF covid-19 loan', *The Irrawaddy*, 15 January 2021.

43. Thompson Chau, 'Has Suu Kyi made Myanmar less corrupt?', *Asia Times*, 11 February 2020.

44. Htwe Thein, 'The dirty business of doing deals with Myanmar's military', *Asia Times*, 10 January 2021.

45. Thant Myint-U, 'Myanmar should use COVID'.

46. Gerard McCarthy, 'Military capitalism in Myanmar: Examining the origins, continuities, and evolution of «khaki capital», *Trends in Southeast Asia*, Singapore: IS-EAS, Issue 6, 47, 2019.

to a lesser extent Russia – embarked on «vaccine diplomacy» to consolidate ties with their partners. Myanmar was no exception.

Overall, in 2020 ties with China remained stable. In January, China's President Xi Jinping visited Myanmar – the first time by a sitting Chinese president in two decades – where he signed over 30 agreements, as he pushed for the implementation of more projects under the flagship Belt and Road Initiative.⁴⁷ The Myanmar authorities walked a fine line between compliance and caution, subjecting some projects to closer scrutiny than in the past, raising questions as to whether all the proposed projects would be commercial viable and whether the costs – including the debt Myanmar would take on to have them financed and realised – were justifiable. This was the case, for example, of the initial phase of the New Yangon City project, an urban regeneration initiative heavily promoted by China. Similarly, the authorities sought the opening of tenders to non-Chinese investors. Another city project in Kayin state was scaled down. At the same time, Myanmar signed a concession agreement and shareholders' agreement for the Kyaukphyu Special Economic Zone,⁴⁸ a crucial milestone as China expands its footprint in the Indian Ocean.

As the pandemic broke out and unleashed its effects across Myanmar, China linked support to a more enthusiastic implementation of the Belt and Road Initiative projects. COVID-19-related medical supplies from late March onwards, mobile toilets to PPE and ventilators were offered by the large neighbour to the north, with the promise of a distribution of Chinese-made vaccines at some point. A sore point in the bilateral relationship was the purchase by the Myanmar military of a Soviet-manufactured submarine from India.⁴⁹ Though this was initially purchased in 2019 and therefore was not news in itself,⁵⁰ this came into operation in 2020.

4.2. *The Rohingya between COVID-19 and the resettlement to Bhasan Char Island*

With about 600,000 people still living in Myanmar (predominantly in north Rakhine state) and the rest in Bangladesh⁵¹ (well over a million), the Rohingya are now truly a trans-border community. Two issues were especially relevant to the Rohingya in 2020. The first occurred when those living in the camps south of the city of Cox's Bazar in Bangladesh began

47. Nan Lwin, 'Myanmar-China relations: 2020 review', *The Irrawaddy*, 29 December 2020.

48. Kyaukphyu is located on Ramree island in Rakhine state.

49. 'Has Myanmar's submarine purchase from India hit a nerve in Beijing?', *The Irrawaddy*, 28 October 2020.

50. Nay Pyi Taw had explored other options, including purchases from Russia, North Korea and China itself. *Ibid.*

51. Rohingya refugees have also settled in India, Pakistan, Saudi Arabia and in other Southeast Asian countries, especially Malaysia.

reporting the first cases of COVID-19 in the late Spring. Cramped living in precarious housing and hygienic conditions and with very limited access to healthcare, the Rohingya were among the least prepared communities for the pandemic. Although cases were reported in the camps, national and international attention quickly waned. Later in the year, the Bangladeshi authorities proceeded with the resettlement of some refugees to the remote Bhasan Char Island, some 40 km off the coast from Chittagong. Bhasan Char is a stilt island, which emerged from the sea only about two decades ago. According to the Bangladeshi authorities, the island would offer better housing conditions to the communities, a claim of questionable veracity as such a location would expose them to weather adversities, as the island is flood-prone, especially during the monsoon season. The Rohingya were resettled in two waves, with about 2,000 moved in December.⁵² Eventually the plan is to relocate about 100,000 Rohingya refugees from the Cox's Bazar camps there.

While Bangladesh insists that no coercion was exerted and that those who moved have done so voluntarily, there are reports of pressure, also against claims that those that agree to living on the island would be among the first to be repatriated to Myanmar. Unsurprisingly, there was no progress on this broader inter-state issue, with either country focusing on other priorities, not the least, the impact of COVID-19 on their respective citizens. COVID-19 was then just another fallout of the Rohingya's condition of statelessness and refugeehood. Further, reports that militants of the Arakan Rohingya Salvation Army (ARSA) may have begun reorganising after a lull of a few years are circulating in Myanmar media,⁵³ with Nay Pyi Taw concerned that some ARSA militants may have already crossed into Rakhine, adding another layer of complexity to the already fraught situation in the western borderlands and another spat with Bangladesh.⁵⁴

4.3. *COVID-19 cases surge among migrant workers in Thailand*

Beyond Myanmar's eastern borders, it was the country's own migrant workers that were left vulnerable and exposed to hate speech and discrimination. Thailand was among the first countries back in January 2020 to report a case of Coronavirus. Since then, the Thai authorities have effectively managed to contain the spread of the virus. This was until November and December,

52. 'Bangladesh moves nearly 2,000 Rohingya refugees to remote island', *Al Jazeera*, 29 December 2020.

53. David Scott Mathieson, 'Curious revival of Myanmar's rag-tag Rohingya rebels', *Asia Times*, 5 May 2020.

54. 'Bangladesh's harbouring of terrorists continues to hinder Rohingya repatriation process', *The Irrawaddy*, 13 October 2020.

when suddenly a surge in cases⁵⁵ was reported in the coastal Samut Sakhon province, southwest of the capital Bangkok.⁵⁶ The outbreak happened in the Klang Koong shrimp market in the town of Mahachai.⁵⁷ Though this only employs a few hundred people, many more work in nearby factories and rent apartments there.⁵⁸ Thailand is home to about two and a half million registered migrant workers, and about as many undocumented ones.⁵⁹ This issue made tracing contacts and ensuring access to healthcare especially challenging.

This episode caused tensions between the Thai and Myanmar authorities, especially as in a televised address Prime Minister Prayut Chan-o-Cha placed the responsibility squarely on Myanmar migrant workers.⁶⁰ Senior officials in the local Health Ministry sought to tone down the anti-Myanmar tones of the PM to limit the damage, emphasising the close ties between the two countries and the two people groups, urging the population to avoid incendiary language. The spike in cases exposed the precarious living and working conditions of Thailand's large migrant community who take up jobs that Thais no longer want to do, such as low-skilled jobs (including peeling shrimps and laying pavements) that the local population no longer wish to perform.⁶¹

5. Conclusion

The civilian government and the military maintained their uneasy working relationship throughout the year. Internationally, Aung San Suu Kyi's

55. On 20 December a record 689 new cases were recorded. Though perhaps a drop in the ocean compared to other countries, this was the highest daily tally for Thailand last year. See Sebastian Strangio, 'In migrant hub, Thailand sees a rare Coronavirus surge', *The Diplomat*, 21 December 2020.

56. There were also other cases both in the capital (perhaps the result of illegal gambling dens, which the authorities have long tolerated despite official claims that they were seeking to have them closed) and the border regions with Myanmar, around Mae Sot (in Thailand) and Tachileik city in the Shan State (in Myanmar), suggesting that the borders between Myanmar and its neighbours are not so effectively sealed after all. John Reed, 'Thailand looks for answers as virus cases surge', *Financial Times*, 14 January 2021, p. 20.

57. 'How are Myanmar migrants in Thailand faring in the face of Covid-19?', *The Irrawaddy*, 2 January 2-21.

58. Perhaps up to half a million Myanmar citizens work in Thailand.

59. Sebastian Strangio, 'In migrant hub, Thailand sees a rare Coronavirus surge'.

60. Ye Ni, 'How are Myanmar migrants in Thailand faring in the face of Covid-19?', *The Irrawaddy*, 2 January 2-21.

61. John Reed, 'Thailand looks for answers as virus cases surge', *Financial Times*, 14 January 2021, p. 20; Sebastian Strangio, 'In migrant hub, Thailand sees a rare Coronavirus surge'.

reputation may have withered, but domestically her star status remains unchallenged.

A lack of domestic opposition among civilian parties, the limited inroads by ethnic parties and an electoral law that make mounting challenges to the NLD hegemony virtually impossible, all contribute to explain her victory in the November elections. The November parliamentary elections confirmed Aung San Suu Kyi's undiminished star status in Myanmar at the end of a long and difficult year dominated by the pandemic and the attempts to contain it. Above all, however, as Min Zin noted,⁶² the NLD's victory in 2020 owes less to what the NLD stood for and more to what the party, and the Lady in particular, «stood against», namely the military and a return to a direct military rule. The cohabitation remains uneasy, and progress towards real democratisation patchy, with progress in some areas (wrenching the civil service from direct military control) and none in others (hundreds of thousands of people remain disenfranchised). To conclude, the vote was less an endorsement for the status quo, as the NLD-led government failed to deliver on its 2015 pledges (constitutional reform, national reconciliation and peace, socio-economic development), and was more a vote of confidence that the government can – and should – do better.⁶³

62. Min Zin, 'Myanmar still loves Aung San Suu Kyi, but not for the reasons you think', *The New York Times*, 23 November 2020.

63. Min Zin, 'Myanmar still loves Aung San Suu Kyi'.