Frying Just A Few New ‘Big Fish’? Combating Corruption in Myanmar

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EXECUTIVE SUMMARY

- Tackling corruption is a top priority as Myanmar charts a path to political liberalization and economic growth following its 2010 transition.

- Clean government was among the most important election promises that Daw Aung San Suu Kyi made during the 2015 campaign.

- To honour her promise, the National League for Democracy government of which she is de facto head, reconstituted the Anti-Corruption Commission in November 2017 that had been established in 2014.

- The work of the reconstituted commission has won it considerable popularity by ‘frying’ a few high-ranking government officials or ‘big fish’. The National League for Democracy is apparently aware of the popularity dividend from combating corruption.

- Supporters of the National League for Democracy accept that Myanmar has a long way to go in combating chronic corruption. The ruling party is poised to use the unfinished business of combating corruption as a major talking point in its campaign for the general elections due in late 2020.

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INTRODUCTION

Myanmar’s annual ranking in Transparency International’s Corruption Perceptions Index (CPI) was at rock bottom until the early years of the political transition that began in 2010. As Table 1 shows, Myanmar only scored 1.4, 1.4, and 1.5 out of 100 and ranked 178 out of 180 countries, 176 out of 178 countries, and 180 out of 183 countries in 2009, 2010, and 2011, respectively. Only after the Union Solidarity and Development Party (USDP) government of President U Thein Sein (2011–16) initiated political and economic reforms and liberalization did Myanmar’s CPI score significantly improve. It increased tenfold from 1.5 in 2011 to 15 in 2012. It saw a continued upward trend until 2018, when it fell by one point and left Myanmar ranked 132 out of 180 countries.

Table 1: Myanmar’s Annual CPI Rankings (2009–18)

<table>
<thead>
<tr>
<th>Year</th>
<th>CPI Score (out of 100)</th>
<th>CPI Country Rank</th>
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</thead>
<tbody>
<tr>
<td>2009</td>
<td>1.4</td>
<td>178/180</td>
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<tr>
<td>2010</td>
<td>1.4</td>
<td>176/178</td>
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<tr>
<td>2011</td>
<td>1.5</td>
<td>180/183</td>
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<tr>
<td>2012</td>
<td>15</td>
<td>172/176</td>
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<tr>
<td>2013</td>
<td>21</td>
<td>157/177</td>
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<tr>
<td>2014</td>
<td>21</td>
<td>156/175</td>
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<tr>
<td>2015</td>
<td>22</td>
<td>147/168</td>
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<tr>
<td>2016</td>
<td>28</td>
<td>136/176</td>
</tr>
<tr>
<td>2017</td>
<td>30</td>
<td>130/180</td>
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<tr>
<td>2018</td>
<td>29</td>
<td>132/180</td>
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Despite the significant improvement in its CPI score and country ranking, Myanmar remains among the countries facing serious corruption problems. To confront this problem, the USDP government formed a 15-member Anti-Bribery Commission on 25 February 2014; it renamed the body the Anti-Corruption Commission (ACC) on 4 August that same year. However, in a heated debate in parliament over a motion calling for more effective anti-corruption measures on 9 and 10 August 2016—that is, after the NLD came to power—then ACC Chair U Mya Win proved unable to offer any details on commendable performance on the part of the commission. He merely defended it as a long-term project that required better cooperation and stronger skills.

During the period of the USDP government, opposition leader and chair of the National League for Democracy (NLD) Daw Aung San Suu Kyi repeatedly highlighted the problem of corruption and made clean government a promise in her campaign for the November 2015 general elections. Soon after winning those elections in a landslide, she openly and sternly warned the new MPs not to be involved in corruption. The NLD government, of which Daw Aung San Suu Kyi is de facto head in her position of state counsellor, took office in March 2016. A year and a half later, on 23 November 2017, it reconstituted the ACC into a 12-member commission and appointed U Aung Kyi as chair. Moreover, the Myanmar Sustainable Development Plan (2018–2030)—an ambitious long-term plan drawn up in line with the UN’s Sustainable Development Goals with a target date of 2030—lists the anti-corruption work of the ACC as one of five strategies for reaching Goal 1—Peace, National Reconciliation, Security and Good Governance. The Myanmar Investment Promotion Plan (2016/17–2035/36) also mentions Myanmar’s low CPI score and rank and
admits that “the business environment of Myanmar is still unfavourable”. And Daw Aung San Suu Kyi herself noted in August 2018, “If our country is known by the world as corruption free in the economic sector, there will be more people willing to invest in our country with trust.”

Within less than two years, the new commission attained a high profile. Despite Myanmar’s low and stagnant CPI score and rank in 2017 and 2018, which measure not how people perceive their government’s or public sector’s probity and integrity but rather the opinion of ‘experts’ and business people, Myanmar people view the work of the commission favourably. People are acutely aware of the fact that Myanmar has a long way to go in combating chronic corruption. Nevertheless, as long as the NLD remains relatively ‘clean’, compared to the ruling junta of the 1990s and the 2000s and the USDP government in which several ‘wealthy’ ex-generals served as cabinet ministers, its efforts will meet with acceptance and support.

The NLD is apparently aware of the popular dividend from the high-profile work of the ACC. It appears poised to use the unfinished business of combating corruption as a campaign message in the approach to the 2020 elections. The party is likely to tell voters, as the election campaign draws, that it has done its best within the bounds of possibility and that voters must re-elect the party, so that it can continue the crusade against corruption.

U AUNG KYI’S PERSONALITY AS THE NEW ACC CHAIR

In contrast to the little-known previous ACC chair, U Mya Win, current Chair U Aung Kyi is a well-known retired major-general whose personality has played an important role in the commission’s revival. Aung Kyi became deputy minister and then minister of labour in November 2006 and October 2007, respectively, during the last years of the government of the State Peace and Development Council (SPDC) junta. He retained his labour portfolio when President Thein Sein took office in March 2011 and carried an additional task as Minister of Social Welfare, Relief and Resettlement until 2012. He then served as Minister of Information from 2012 until 2014, when he retired.

Significantly, U Aung Kyi was the SPDC’s liaison officer, and it was in that capacity that he met Daw Aung San Suu Kyi several times a year from 2007 until the transition. Daw Aung San Suu Kyi views Aung Kyi as an “intelligent” person who “has goodwill” and “wants the right kind of changes”. He was the first USDP cabinet minister to meet Daw Aung San Suu Kyi formally, apparently as President Thein Sein’s liaison in July 2011 — after the release of the Nobel laureate from house arrest in November 2010 and notably a month before the historic meeting between Daw Aung San Suu Kyi and the president himself on 19 August 2011.

Immediately after his appointment as ACC Chair in November 2017, U Aung Kyi said that Myanmar’s low CPI score and rank were “harming inflows of foreign investment”. He had inherited a commission that was toothless in the public view and extremely under-resourced in the opinion of the United Nations Office on Drugs and Crime. The previous commission also had a poor track record of only picking low-hanging fruits—that is, low-ranking officials. As a result, parliament viewed it unfavourably, too.
Despite his close connection with Daw Aung San Suu Kyi, U Aung Kyi denies that she has interfered and claims independence.\textsuperscript{18} He has become, arguably, the most media-friendly ministerial-level official appointed by the NLD, regularly giving interviews and making comments, and constantly receiving coverage for that reason. Despite occasional questions from the media and political commentators about the effectiveness of the ACC, Aung Kyi’s past as a minister during the SPDC and USDP years and his personal conduct as ACC chair have not come under scrutiny, from the media or the public, to date.

\textbf{THE DUTIES AND PREROGATIVES OF ACC}

The headquarters of the ACC is in Nay Pyi Taw. It also opened an office in Yangon in March 2019, and another in Mandalay in May 2019. Its work has a broad reach because corruption involves both the abuse of publicly entrusted power for private gain and damaging public finances by violating existing laws, rules and procedures, according to the Anti-Corruption Law.\textsuperscript{19} However, the text of the Anti-Corruption Law is disproportionately concerned with the first type of corruption—abuse of public power for private gain; it does not define what violating existing laws, rules, and procedures to damage public finances involves.

The ACC is directly responsible to the president.\textsuperscript{20} The president, the lower house speaker and the upper house speaker\textsuperscript{21} may each nominate up to five members of the commission,\textsuperscript{22} and the present ACC, formed on 23 November 2017, has 12 members.\textsuperscript{23} The president, the lower house speaker and the upper house speaker may bring cases of corruption directly to the ACC,\textsuperscript{24} whereas members of parliament may do so indirectly, via the speaker of the house to which he or she belongs.\textsuperscript{25} Any citizen that is an aggrieved party may also directly inform the ACC about corruption.\textsuperscript{26} The ACC will investigate when the president,\textsuperscript{27} the lower house speaker or the upper house speaker requests it,\textsuperscript{28} when an aggrieved party lodges a complaint,\textsuperscript{29} or when there is a publicly known or reported case of alleged corruption.\textsuperscript{30}

In the area of public relations, the ACC is arguably among the most effective government agencies in Myanmar. U Aung Kyi and other commissioners receive regular coverage in the media, and the commission maintains a Facebook page\textsuperscript{31} and a website,\textsuperscript{32} each updated daily.

The duties of the ACC include conducting investigations; submitting reports on individual cases and yearly reports to the president, lower house speaker, and upper house speaker; advising public agencies on corruption; providing educational materials for schools; cooperating with international and regional organizations and foreign countries on matters relating to corruption; and issuing codes of conduct for private organizations.\textsuperscript{33}

Upon conviction for corruption, current or retired political office-holders at the level of deputy minister or above;\textsuperscript{34} authorities below them such as political office-holders, bureaucrats and public officials;\textsuperscript{35} and anyone else may face prison sentences of up to 15, 10 and 7 years, respectively, in addition to fines.\textsuperscript{36}
Besides conducting investigations and taking consequent actions where necessary, the ACC has sought to prevent corruption at government offices. Since January 2019, it has established 32 Corruption Prevention Units in 18 ministries.\(^{37}\)

**THE TRACK RECORD AND LIMITATIONS OF THE ACC**

The track record of the ACC is mixed. On the one hand, it is undeniable that the present commission, appointed by the NLD government, has been significantly more active in undertaking investigations and exacting punishment than its predecessor. On the other hand, and by U Aung Kyi’s own admission, the commission has limitations.\(^ {38}\)

As of 17 July 2019, the commission has dealt with tens of cases involving middle-level or lower-level public officials under the Anti-Corruption Law.\(^ {39}\) In 2018 alone, it took legal action against 46 persons.\(^ {40}\) More importantly, the ACC has taken up a number of high-profile cases, catching some big fish\(^ {41}\) and earning rare praise from commentators and observers\(^ {42}\) and from the president’s office.\(^ {43}\) These big fish have included Food and Drug Administration Director General U Than Htut,\(^ {44}\) Yangon Region Advocate General U Han Htoo,\(^ {45}\) Tanintharyi Region Chief Minster Daw Lae Lae Maw,\(^ {46}\) Director General of the Directorate of Water Resources and the Improvement of River Systems U Htun Lwin Oo,\(^ {47}\) and Director General of the No. 2 Mining Enterprise U Than Daing.\(^ {48}\) In his Myanmar New Year speech made in April 2019, President U Win Myint seemed to be referring to those cases when he noted “our successes to a certain extent in the area of preventing and combating corruption”.\(^ {49}\)

However, upon careful inspection, it transpires that, among the big fish that the ACC has trapped, Daw Lae Lae Maw alone was an NLD-appointed official or appointee, while the rest were bureaucrats. The extent and strength of the political will to catch big fish looks even more questionable in light of the case of Minister for Finance and Planning U Kyaw Win. The NLD has refused to explain why he voluntarily resigned from that post in May 2019 amid a corruption scandal and following an ACC investigation,\(^ {50}\) although U Aung Kyi later said U Kyaw Win was clean.\(^ {51}\) In July 2019, Minister for Industry U Khin Maung Cho also voluntarily resigned,\(^ {52}\) although presidential office spokesperson U Zaw Htay said that the minister had violated unspecified procedures.\(^ {53}\) Whether U Khin Maung Cho damaged public finances, intentionally or not, in violating those procedures is a question that remains unanswered. Another case of alleged corruption, in which Minister for Electricity and Energy U Win Khine and Deputy Minister U Tun Naing are reportedly involved, is pending as of August 2019.\(^ {54}\)

Another important, but often overlooked, limitation of the ACC is that it can only investigate cases of corruption that have occurred after 17 September 2013,\(^ {55}\) the date that the Anti-Corruption Law came into operation. This limitation effectively closes the book on Myanmar’s pre-2013 past of chronic corruption — grand or minor, systemic or once-off. The ACC may catch some big fish, but it can only catch recently or currently active big or sizeable fish. U Aung Kyi himself defines big fish as “senior government officials”.\(^ {56}\) With this in mind, the ACC has offered training at government offices.\(^ {57}\)

The commission recently called for applications for 135 positions.\(^ {58}\) Despite strong language that targets senior government officials, the ACC and the NLD government have
only sought or have only been able to order the return of the “development funds” worth several millions United States dollars reportedly misused by the former chief ministers of Magway, Mandalay, Sagaing, and Ayeyarwady regions during the previous USDP administration. Moreover, the military does not fall under the ambit of the ACC because, according to U Aung Kyi, it operates under and is subject to military law. The military claims in any case that it takes serious action internally against corruption among its own personnel, though the specific outcomes of this action is not known publicly.

In addition to seeing corruption as a demand-side problem – that is, dealing with public officials who seek private gains – President U Win Myint also defines corruption as a supply-side problem, “a despicable erosion of moral character” and “a dangerous disease which has taken deep roots in Myanmar society”. This view led the ACC to design teacher’s guides for primary schools in 2018 and for secondary schools up to Grade 9 in 2019. These efforts to highlight the supply side of corruption are plausible and creditable, but they will take a long time to bear fruit and require sustainable commitment on the part of the NLD government and the governments that follow. U Aung Kyi himself admitted in December 2018 that the journey to clean government might take two decades or so, even though the ACC is now working as speedily and efficiently as possible.

Another question regarding the track record of the ACC concerns complaints. From November 2017 to June 2019, the commission received 15,646 complaints. It has only finished looking into and ‘solved’ 103 of them and is now conducting preliminary investigation relating to an additional 109 cases. The commission replied and made suggestions to complainants relating to 7,884 irrelevant complaints. It took no action on 3,747 complaints, while it transferred 2,467 complaints to relevant ministries for further attention. Although the number of complaints that the ACC claims to have solved or to be working to solve is but a fraction of the number that it has received, it is difficult to analyse these numbers without seeing each of the complaints and understanding the commission’s processes for decision-making and further action. But it is not wrong to say that the sheer number of complaints filed with the ACC shows the level of importance that people in Myanmar attach to the commission and its work.

On a final note, the former USDP administration permitted public servants to accept ‘gifts’ of up to 300,000 kyat, then approximately US$300, without specifying the frequency of those gifts. The NLD government did not revoke that highly criticised order, but it reduced the maximum amount of a single gift to 25,000 kyat or roughly US$17 and limited the total amount of gifts that a public servant could receive in a year to 100,000 kyats. A gift culture and a gift economy continue to exist in Myanmar’s public sector. However, whether there are ledgers of who accept which gifts, when, where, why, and how often is unknown. Also, it does not make sense to assume that a public servant will report each and every gift and its value.

CONCLUSION

It is not yet possible to reach conclusions on the anti-corruption work of the less-than-two-year-old reconstituted ACC. However, some political aspects of combating corruption in Myanmar are worth noting. First, the NLD’s highly-publicised crusade against corruption remains largely confined to the bureaucracy. Second, the NLD has proven slow in dealing
with alleged corruption among own political appointees; in some cases, it has even been unwilling to do so. It has only fried a few new or sizeable fish. Third, the ACC is not in a position yet to deal with pre-2013 corruption. Fourth, the NLD seems to take a long-term view on the fight against corruption, by paying attention to both the demand and the supply sides. Fifth, although the anti-corruption narrative and ambitions of the NLD and the ACC are mostly concerned with improving the image of Myanmar as an investment destination, they both seem to be well aware of the actual and potential political dividends and pay-outs from active and visible combat against corruption. Finally, as the 2020 general elections draw near, the mixed but visibly active and publicised record of the ACC will provide the NLD with good reason to tell voters that the journey is long and people must continue to trust the party. The NLD will want to convince voters that together, they still have bigger fish to fry.


Transparency International does not conduct research on its own but rather relies on up to 13 surveys of experts who are knowledgeable about countries under study and of businesspeople in those countries. However, since the existing literature on corruption in Myanmar is scant, the surveyed ‘experts’ might have relied more on Transparency International’s annual rankings and journalistic coverage than on their own or others’ research. On the other hand, business people — many if not most of whom must have encountered chronic corruption at least since the 1990s and the 2000s and continue to encounter it today — are most likely to hold often exceedingly negative perceptions of corruption and report these views, even if the current level of corruption is significantly lower than in the past and even if corruption is now institutionally discouraged. Also, perceptions of corruption are deeply cultural and thus difficult to measure. Last but not least, some researchers have alleged the political use or misuse of the CPI. For example, see, Natalia Melgar, Máximo Rossi, Tom W. Smith, “The Perception of Corruption”, International Journal of Public Opinion Research 22(1) (2010): 120–131; Arnold J. Heidenheimer, “Perspectives on the Perception of Corruption”, in Political Corruption: Concepts and Contexts, edited by Arnold J. Heidenheimer and Michael Johnston, 3rd edition (New Brunswick: New Jersey, Transaction Publishers, 2007), 141–154; Staffan Andersson and Paul M. Heywood, “The Politics of Perception: Use and Abuse of Transparency International’s Approach to Measuring Corruption”, Political Studies 57(4) (2009): 746–767.


Ibid.


Anti-Corruption Law, ss 3(a), 3(b).

Ibid., s 7(b).

Either the lower house speaker or the upper house speaker acts at the same time as the speaker of the Pyidaungsu Hluttaw, the bicameral legislature including both houses.

Anti-Corruption Law, s 5(b).

While the ACC chair is equal in rank to a cabinet minister, the rest hold deputy-ministerial positions.

Anti-Corruption Law, s 43(a).

Ibid., s 43(b).

Ibid., s 44.

Ibid., s 21(a).

Ibid., s 21(b).

Ibid., s 21(c).

Ibid., s 21(d). Also see s 3(c).


Anti-Corruption Law, s 16.

Ibid. 3(h).

Ibid. 3(j).

Ibid., ss 55–7.


“New Year Greetings for ME 1381 from President U Win Myint”, *Global New Light of Myanmar*, 18 April 2019, p. 2.


Ye Mon, “‘We Received Threats’”.


65 “Message of Greetings sent by President U Win Myint to the International Anti-Corruption Day celebrations”, Global New Light of Myanmar, 7 December 2018, pp. 1, 3.