Illiberalism and Energy Transitions in Myanmar and Thailand

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Over the next century most states are likely to face momentous and potentially catastrophic environmental impacts due to climate change. This has made managing energy policy – traditionally focused on delivering energy security and equitable access – much more strenuous. Governments now face an energy policy trilemma: delivering both traditional energy goals while also minimizing greenhouse gas emissions.¹ Most governments have found it difficult to achieve high levels of all three goals at any one time, particularly within the developing countries of Southeast Asia.

The traditional reliance on fossil fuels for energy in most industrialized countries has created physical, political, economic, and cultural impediments to the transition towards more climate-friendly energy sources. Although there are exceptions, efforts at a paradigm shift away from fossil fuels have been stymied within many liberal democracies.² Environmental nongovernmental organizations (NGOs) can play a crucial role in the promotion of climate-friendly energy technologies but they inevitably experience these structural obstacles to change, even within liberal environments.³

If the transition to more climate-friendly renewable energy has proved difficult to achieve under relatively liberal conditions where environmental NGOs have relatively free reign, how has this transition progressed in countries where environmental NGOs have faced more illiberal regimes?⁴

⁴ We analyze the specific influence of case study environmental NGOs on energy transitions in Myan-
In this article, we examine the progress in, and impediments to, climate-friendly energy transitions in two neighboring countries of mainland Southeast Asia, Myanmar and Thailand, both of which have recently experienced liberal and illiberal governing regimes. Transitioning towards renewable energy is crucial to achieve a sustainable future in Myanmar and Thailand, since both are highly susceptible to flooding and droughts resulting from climate change, with both appearing in the top ten countries of the Global Climate Risk Index 1993-2012.5

Energy transitions in Myanmar

Throughout its history, illiberal governance in Myanmar has been accompanied by frequent conflicts between the central government in the Bamar (Burman)-dominated lowlands and the ethnic minorities that populate Myanmar's mountainous border regions.6 Following a period of relative liberalism after independence from Britain in 1948, a military coup in 1962 resulted in almost five decades of direct and indirect military rule under Ne Win and his successors, until the launch of a reform program

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in 2011. From 1962 to 1988, the government was relatively isolated and pursued centralized and socialized energy policies focused on large hydropower. The new military regime adopted a new approach after the protests and political convulsions of 1988.

**Direct Military Rule**

After decades of socialist policies, the early 1990s saw private and foreign direct investment permitted within Myanmar’s energy sector and broader economy. A nascent market system expanded, with Myanmar’s political economy dominated by the military and its associated business interests. Throughout this period, governance by a military junta left little space for civil liberties or political debate; independent media were banned and many ethnic minorities repressed.

Contestation between ethnic minorities and Myanmar’s central government over the rich natural resources in the ethnic minority borderlands often caused, or at least compounded, civil conflict. Ceasefires, however, were periods of military-state building in these regions through land confiscation and primitive accumulation. This natural resource extraction provided the means for the military to maintain its illiberal and repressive rule, and to enrich leading members of the military junta.

While some ethnic groups also earned considerable wealth from the exploitation of these resources, their precarious existence and constant war footing, meant that social and economic development in these regions was limited. For Pogge, the “resource privilege” – effective ownership of natural resources – that accrues to any governing body provides “powerful incentives towards coup attempts and civil wars in the resource-rich countries”. It is clear that Myanmar provides a prototypical case study of this effect. In their comparative study on natural resources and conflict, Rustad et al. were unable to find a demonstrable link between conflicts and exploitable forest resources across all the cases they examined; Myanmar was the clearest case where the phenomenon persisted.

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[47] Georgetown Journal of Asian Affairs
Many environmental NGOs in Myanmar were ethnically-based and focused on campaigning against large energy projects slated for the ethnic minority regions, resulting in critiques of military rule. The military regime tended to conflate activism against energy projects with the ethnic military insurgencies, and NGOs were consequently attacked and banned by the government.\footnote{Simpson, Energy, Governance and Security in Thailand and Myanmar (Burma): A Critical Approach to Environmental Politics in the South; Adam Simpson, “Challenging Hydropower Development in Myanmar (Burma): Cross-Border Activism under a Regime in Transition,” The Pacific Review 26, no. 2 (2013) 129-52; Vanessa Lamb, “Making Governance “Good”: The Production of Scale in the Environmental Impact Assessment and Governance of the Salween River,” Conservation and Society 12, no. 4 (2014) 386-97.}

Myanmar’s military junta during this era had little interest in climate concerns, but in an effort to normalize its international relations and attract foreign investment, it signed the UN Framework Convention on Climate Change (UNFCCC) in 1992. The subsequent two decades were, nevertheless, characterized by a lack of effective climate and energy policy making. Environmental NGOs, such as the Renewable Energy Association of Myanmar (REAM), provided technical assistance on decentralized, small-scale, and low emission energy technologies to rural communities such as mini-hydro schemes in mountainous Shan State. These projects were highly sought after in villages since electricity access and usage throughout the country were extremely low. By the end of direct military rule in 2011, the electrification rate was estimated by the Asian Development Bank at 26 percent.\footnote{Asian Development Bank, Myanmar: Energy Sector Initial Assessment (Manila: Asian Development Bank (ADB), 2012).}

In addition to low levels of rural electrification, energy shortages occurred regularly in Myanmar throughout the 1990s and 2000s, even when energy was exported in return for foreign exchange, initially to Thailand, and later to China.\footnote{Adam Simpson, “The Environment-Energy Security Nexus: Critical Analysis of an Energy ‘Love Triangle’ in Southeast Asia,” Third World Quarterly 28, no. 3 (2007) 539-54; Jürgen Haacke, “China’s Role in the Pursuit of Security by Myanmar’s State Peace and Development Council: Boon and Bane?” The Pacific Review 23, no. 1 (2010) 113-37.} Natural gas was the most successful of Myanmar’s forays into this area with several projects being completed or initiated during military rule. The Yadana Gas Pipeline from Myanmar into Thailand was the first transnational gas pipeline in Southeast Asia and was opposed by a range of environmental NGOs that were mostly ethnically-based and, due to military rule in Myanmar, operated from Thailand or from the contested Thai-Myanmar border area. These NGOs, such as the Karen Environmental and Social Action Network (KESAN), had little impact on military decision-making, and the pipeline was completed in 1999, providing much needed foreign exchange for a military regime on the brink of bankruptcy.\footnote{Simpson, Energy, Governance and Security in Thailand and Myanmar (Burma): A Critical Approach to Environmental Politics in the South. (Copenhagen: NIAS Press, 2017).}
Large dam hydropower was, and is, the main electricity source in Myanmar (75 percent) but the country’s ambitious hydropower export program was less successful than the exporting of gas. This was mainly due to civil conflicts in the mountainous ethnic regions rather than opposition from ethnic environmental NGOs, such as KESAN, which the government largely ignored. Nevertheless, the transnational campaigns against the Thanlwin (Salween) and Ayeyarwady (Irrawaddy) Dams and transnational gas pipelines provided a training ground for a generation of environmental activists.

President Thein Sein and the USDP Government

Despite significantly more political contestation and improved civil liberties, illiberalism was built into the military-authored 2008 Constitution, under which there is no effective civilian oversight of military activities. In 2010, national elections delivered a government led by the military-backed Union Solidarity and Development Party (USDP), which took office in April 2011. The political and economic reform process launched in 2011 restored many civil liberties absent for decades, and activists were able to openly campaign against large dams inside Myanmar for the first time. On September 30, 2011, President Thein Sein astounded observers and local activists by suspending the Chinese-backed US$3.6 billion Myitsone Dam on the Ayeyarwady River in Kachin State, which had become the focus on an increasingly vociferous campaign by activists. The decision precipitated a slowdown in Chinese foreign investment and a shift towards EU and US investors as Western sanctions against the regime fell away.

During this period, REAM experienced unprecedented freedoms and access to government decision-makers. Its founder, Aung Myint, helped draft both the Environmental Law of 2012 and the associated Environmental Impact Assessment Procedures, which were launched in January 2016 in the last days of the Thein Sein government. He also sat on the National Electricity Management Committee (NEMC), which oversaw all policy decisions regarding electricity. Energy-focused workshops funded by international donors proliferated during this period, with REAM a key contributor. Nevertheless, the government refused to support regulations that would allow mini-grids to feed into the national electricity network, which were an essential reform for climate-friendly mini-hydropower grids to compete with the subsidized national electricity grid.

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23 Adam Simpson and Mattijs Smits, “Transitions to Energy and Climate Security in Southeast Asia? Civil Society Encounters with Illiberalism in Thailand and Myanmar,” *Society and Natural Resources*
In international climate change negotiations, the Thein Sein government submitted its Intended Nationally Determined Contribution (INDC) to the UNFCCC in September 2015. Aung Myint sat on the committee that prepared the government’s submission, which committed to reduce the country’s per capita emissions of two tons of carbon dioxide equivalent (tCO₂e) in 2010, by six percent by 2030. Given the existing low level of per capita emissions – compared with, for example, Australia at 25.3 tCO₂e – the commitment appears significant, but is unlikely to be achieved without a shift in policy towards climate-friendly sustainable energy.

**Aung San Suu Kyi and the NLD Government**

The unexpectedly-comprehensive landslide by the National League for Democracy (NLD) in the November 2015 national elections – winning almost 80 percent of the available seats – ensured that the NLD dominated parliament and the government. Yet the constraints in the military-written Constitution remained. A return to the extreme illiberalism of previous military regimes looks unlikely in the near term but progress is far from assured, with unwelcome reminders from the NLD government of illiberal attitudes towards ethnic groups usually associated with previous regimes.

Although there has been less progress than many NLD supporters hoped or expected since the NLD-led government came to power in April 2016, there have been several liberal reforms, including the removal of some illiberal colonial and military-era legislation. The first year of government was characterized primarily by policy inactivity in many areas, including energy and resource governance. There may well be opportunities for expanding small-scale renewable energy technologies in the future: Aung San Suu Kyi has argued that the electricity subsidy should be abolished for everyone except for those only using electric light, rendering renewable energy micro-grids more competitive.

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The experience of Myanmar demonstrates that it is possible to make some progress on energy and climate security under a range of illiberal conditions. Under the extreme illiberalism and traditional authoritarianism of direct military rule, progress was halting and sporadic, and subject to the whims of opaque, ad hoc and inconsistent government policies. Under the relative liberalism of the Thein Sein government progress was more substantial, if still circumscribed by the strong political links between the government, the military, and its associated businesses. Under the NLD, environmental NGOs face difficulties in influencing government policies towards an energy and climate security transition, but the government knows that its longevity is linked to poverty reduction in rural areas and that this cannot be achieved at the expense of broad scale environmental destruction. Support for small scale hydro, solar, and wind energy projects, and their linking to the national network is therefore likely to occur.

**Energy transitions in Thailand**

Although punctuated by more liberal democratic periods than Myanmar, Thailand’s modern history has largely been the story of illiberal or authoritarian governance. The ability of environmental activists and movements to protest openly in Thailand has been primarily determined by the nature of the governing political regime. Their ability to influence policy and political outcomes has been tenuous and, even under its most democratic governments, has tended to reflect the extent of accommodation by existing political power structures. Those power structures, often allied to the monarchy and linked to structural inequality, run deeply through Thai society and are rooted in the country’s earliest history.  

Thailand’s nominally modern and democratic political era began in 1932, when a constitutional monarchy replaced absolute rule. The first half century of this era was marked by periodic military rule and the development of a centralized energy regime, based on state-owned companies and large hydropower dams. With occasional democratic rule from the 1980s, Thailand started to exhibit more progressive energy and climate policies than most other countries in the Southeast Asian region.

**Democratization**

Thai environmental NGOs started to emerge in the mid-1980s. In the early 1990s, the government started diversifying its energy markets and, later, considered the impacts of climate change. The context of this period is generally characterized by democratization with the first elected Prime Minister in 1988, followed by, after a military interregnum, a relatively long period of democratic progress, resulting in the rather liberal 1997 Constitution.

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The debt crisis in the 1980s resulted in a period of neoliberal reform instigated by the World Bank and the IMF. The dominance of the state-owned Electricity Generating Authority of Thailand (EGAT) in Thailand's electricity market was reduced during reforms starting in 1992. These reforms established markets with feed-in tariffs for Independent Power Producers (IPPs), Small Power Producers (SPPs) and, eventually, Very Small Power Producers (VSPPs) (initially one megawatt). Although it was the Thai governments' neoliberal tendencies that opened up space for this sector, environmental NGOs were also influential in its development, particularly by supporting the VSPP legislation.

Relative liberalism in Thailand in the late 1980s and 1990s also allowed its environmental NGOs to achieve significant early successes, including the blocking of World Bank–backed Nam Choan Hydroelectric Dam in Kanchanaburi Province in 1988, although unsuccessful campaigns, such as that against the Pak Mun Dam, demonstrated the limits of environmental activism.

Activist successes resulted in EGAT pursuing transnational energy projects, such as gas pipelines and hydropower dams, in its more authoritarian neighbors in Myanmar, Laos, and Cambodia. By 2015, 70 percent of Thailand's electricity was generated using natural gas, with approximately one third imported from Myanmar. While only approximately five percent of electricity generation capacity is currently derived from large-scale hydropower, plans to import electricity from large dams in Myanmar and Laos would significantly increase this number.

The Shinawatra Party Machine and a Democrat Party Government

Increased environmental activism supported the creation of a new kind of responsive formal politics in Thailand, which was epitomized by the ascension to power of Prime Minister Thaksin Shinawatra and his Thai Rak Thai (TRT) party in 2001. Thaksin initially courted environmental activists, but once in power, his rhetoric against environmental NGOs and activists provided cover for repressive crackdowns by security services and threat of violence perpetrated by non-uniformed assassins. His government undermined many of the checks and balances of the 1997 Constitution. Thaksin remained popular, however, with proxy or family parties comprehensively winning every election since 2001.

Thaksin fled into exile following a royal-backed military coup in September 2006, initiating a brief period of military government until an election in December 2007, which was won by the Thaksin-friendly People’s Power Party (PPP). The PPP was dissolved by the Constitutional Court in December 2008, which allowed the opposition Democrat Party to form a coalition. At the next election in July 2011, Yingluck Shinawatra, Thaksin’s sister, led the Pheu Thai Party into government. Despite clear illiberal undercurrents in Thailand, the governments between December 2007 and 2014 can be defined as democracies, given their relative liberalism.

Despite illiberal tendencies in this era environmental NGOs continued to form, such as the Thailand Climate Justice Working Group (TCJ). It was established in 2008 and provided a coordination role for a network of ten specialized environmental groups focused on the energy, trade, agriculture, and forestry sectors. TCJ was funded primarily by Swedish NGOs to organize events, campaigns, and other activities, on diverse topics related to energy and climate change mitigation. The relative liberalism of the political regime influenced its ability to promote progress on an energy and climate transition.

The emergence of an environmental NGO focused on climate demonstrated the increasing significance of climate change in Thailand, initially related to the economic opportunities relating to mitigation. Under the Kyoto Protocol, over 150 Clean Development Mechanism (CDM) projects were registered. More recently, the Thai Greenhouse Gas Management Organization (TGO), an independent public organization set up by the Thai government, started to develop new and voluntary market-based instruments.

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Climate change adaptation and mitigation policy has also been taken up by the central government. Thailand’s first Climate Change Master Plan, which was developed by the Office of Natural Resources and Environmental Policy and Planning (ONEP) during relatively liberal democratic governments, was released in 2010 and updated in 2012.

Although market-based climate policy instruments emphasize liberal economic values and liberal political principles, such as freedom of consent and public participation, in practice such principles are not always adhered to. In Thailand during this period, environmental NGOs often were invited to attend or comment, but late in the process when most important decisions already had been made. Some NGOs with significant technical knowledge, such as Palang Thai, were influential in changing policies. While others more focused on social movement campaigns, such as TCJ, were less successful. While renewable energy schemes, such as Adder, transformed parts of the electricity market, it also provoked a backlash from fossil fuel interests that were supported by the illiberal military regime that soon came to power.

**Military Rule**

In May 2014, the Thai military seized power through a coup and has since denied citizens basic rights, including the right to assemble and freedom of expression, accompanied by widespread political repression. Soon after the coup, its leader, General Prayut Chan-o-cha, established a military dominated national assembly, which elected him as prime minister. The military and its royal supporters have also diminished and constrained democratic rule in the new 2017 Constitution. The resultant constriction of political space for environmental NGOs has undermined the shift towards energy and climate–friendly policies.

Starting under Yingluck’s government but continuing under the Prayut military regime, there have been significant backward steps in energy and climate governance. Many of the effective energy and electricity structures established over the last two decades have been undermined, as the success of the renewable energy sector created fertile ground for well-connected corporations to extract rents, causing potentially long-lasting damage to community support for the sector. This outcome seems consistent with Prayut’s lauding of fossil fuels as an energy source in mid-2015, when he instructed the Energy Ministry to boost ‘public understanding’ about the increased cost of producing electricity from renewable or alternative energy sources (Bangkok Post, 14 August 2015).

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Using absolute authority under Section 44 of the Interim Constitution, Prayut exempted all power plants from regulations under the Town and City Planning Act (Prachatai, 22 January 2016). During the first public hearings for the formulation of the Power Development Plan (PDP) 2015–2036 (PDP 2015) in August 2014, protests were banned and journalists and activists arrested for expressing opposition to the military government’s policies. In a further attempt to bolster the fossil fuel industry, the Minister for Energy announced in March 2018 that the government would cease purchasing renewable energy for a period of five years.

Notwithstanding the support for fossil fuels, Thailand has made some progress on climate change policy since the 2014 coup, at least on paper, with the country finally submitting its INDC to the UNFCCC in October 2015. In that submission, the Thai government stated the country’s intention to reduce greenhouse gas emissions by 20 percent from the projected business-as-usual (BAU) level by 2030.

The military coup was a major setback for TCJ and other Thai environmental NGOs. The restrictions on any political gathering or activities meant that it was difficult to organize any events and a schism emerged between liberals and monarchists, even within individual NGOs, which meant environmental issues received little attention. In addition to a lack of funding this resulted in TCJ suspending its activities in mid-2016 until a more favorable political environment emerges.

While in the past Thailand’s political system has helped develop diverse and, for the region, progressive renewable energy policies, the country’s current illiberal trajectory seems to be undermining earlier gains. There is little indication that politics in Thailand will become more liberal in the short or medium term. Elections will possibly be held in February 2019 but the military Constitution will constrain any new government’s actions. Early indications from recently installed King Vajiralongkorn suggest that he is more interested in consolidating monarchical power than promoting liberal political reform. His conservative support for the existing centralized political power structures in Thailand indicate that he is unlikely to use his influence and political capital to promote a decentralized renewable energy transition. Decentralized energy systems offer communities a measure of independence from reliance on the state and related oppressive governance structures and the corruption and rents associated with large centralized projects. Decentralized electrical power can stimulate the decentralization

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50 Raweewan Bhuridej, Submission by Thailand to Unfccc: Intended Nationally Determined Contribution and Relevant Information (Bangkok: Secretary General, Office of Natural Resources and Environmental Policy and Planning, 2015).
of political power, which often accounts for its unpopularity with illiberal central governments and leaders.53

Looking to the Future

Progress towards a genuine climate-friendly renewable energy transition has been limited in both Myanmar and Thailand. Thailand has been a leader within Southeast Asia on many environmental issues, including innovation within its electricity sector which allowed small scale renewable energy producers to enter the market. Some environmental NGOs with strong technical knowledge were influential in developing these regulatory frameworks. In recent years, however, this transition has faltered due to illiberal governance and the assertion of vested interests from the fossil fuel sectors. The activities of NGOs have been severely curtailed, as has access to the government.

In Myanmar, environmental policy and domestic environmental activism was almost non-existent until the political reforms of 2011. Since this time, climate concerns have been included in government approaches to energy security although the government continues a paternalistic attitude to civil society. Historically, much of Myanmar’s energy has been drawn from large dams. Although these dams harness renewable energy, the national network suffers blackouts during the dry season and social and environmental issues were caused by their implementation during authoritarian rule. Increasingly irregular monsoons, instigated by climate change, are likely to put further strain on this dependency. There is still a lack of regulations allowing small power producers, using mini-hydro or solar mini-grids, to feed into the national network. Some progress may be made in this area in future, since the government is keen to promote rural development, but until environmental NGOs are valued for their expertise and community connections progress in this area will continue to be limited.

Overall, Myanmar and Thailand have demonstrated that progress can be made on climate-friendly energy transitions in developing or middle-income countries, but as in many other parts of the world this progress often only comes about through pressure from civil society groups using international agreements to hold their governments to account. We therefore make the following recommendations:

1. That international aid agencies, official development assistance and transnational corporations in both countries are focused on:
   a. Technology transfer to facilitate the transition to climate-friendly energy technologies in agriculture, manufacturing and transport; and
   b. Linking aid and investment to the establishment of formal multi-stakeholder decision-making bodies in energy and climate-related projects that involve civil society, government and business, with equal voting rights. The Extractive Industries Transparency Initiative

(EITI), operating in Myanmar, provides a useful international template.54

2. That the Myanmar and Thailand governments:

   a. Actively establish multi-stakeholder groups in all areas of development decision-making, particularly in relation to energy and climate-related projects and activities; and

   b. Encourage civil society participation in the political process by repealing constraints on political gatherings and activities in both countries.

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