

CHAPTER I

INTRODUCTION



1.1 The fall of Khin Nyunt and Military Intelligence: the Announcement

This thesis focuses on the fall of Khin Nyunt, who was the former Prime Minister of Union of Myanmar and Chief of Military Intelligence of Myanmar's Armed Forces, the *Tatmadaw* until 2004, and Military Intelligence under his leadership which lasted for two decades from 1984 to 2004.

On the night of 19 October 2004, Myanmar's national television, MRTV briefly announced that Prime Minister Khin Nyunt was "permitted to retire for health reasons". Rumours had been circling since the morning. Of that day, six hours before, the Spokesman for the Prime Minister of Thailand had oddly broken news at a press conference held at the Thai- Myanmar border town of Mae Sot, where a mobile cabinet meeting was held, that the Thai government confirmed that Prime Minister Khin Nyunt was arrested on corruption charge and put under house arrest. ¹

On 24 October, General Thura Shwe Mann², member of Myanmar's top collective decision making body, the State Peace and Development Council (SPDC) and Lieutenant General Soe Win³, the newly-appointed Prime Minister, made a briefing on MRTV regarding Khin Nyunt. According to their explanation, the military government uncovered large scale and systematic corruption involving Military Intelligence, originating at China border involving a border area immigration supervisory body comprising military intelligence and other officials. Despite repeated instructions from the Head of State, Senior General Than Shwe that ministries must not engage with economic activities, Khin Nyunt had ignored the instructions. When Than Shwe declared to Khin Nyunt that it would not be proper for Khin Nyunt to hold the positions

¹ Press conference by Government Spokesman Jakkrapob Penkhair of Thailand, 19 October 2004.

² Thura Shwe Mann is Joint Chief of Staff and the third-ranked in the military as of April 2006.

³ Soe Win was former Secretary One of SPDC, who succeeded Khin Nyunt when he was appointed as Prime Minister in August 2003 and now Prime Minister.

of Prime Minister and Chief of Intelligence concurrently, and that the new Intelligence Chief would be appointed, Khin Nyunt ordered his staff to gather intelligence within the military. This “posed a serious threat to the nation”.⁴

The briefing had four main points: First, Khin Nyunt did not obey military rule, which could have led to “disintegration of the military”; “Firstly he violated *Tatmadaw* (armed forces) discipline by his insubordination. It is of the utmost importance for *Tatmadaw*-men to follow orders: the orders from superiors must be obeyed and carried out without fail. “⁵

Second, Military Intelligence was involved with illegal economic activities; “Ministries should not set up economic ventures to raise funds, giving welfare as an excuse. December 2003, he (Than Shwe) gave instructions thatall economic undertakings were to cease by 31-3-2004. Some of these enterprises were to be handed over to the Ministries concerned. If the enterprises could not be transferred then they were to be abolished.....We learnt that General Khin Nyunt was deeply aggrieved by the directive. “⁶

Third, it alleged cronyism; “He (Khin Nyunt) committed certain acts which are not legal and his family is involved in bribery and corruption.”

Fourth, SPDC admitted that Military Intelligence was becoming too influential in many spheres; The action was taken “to deter bribery, corruption and influence by improper ways and intimidation by he State service personnel.” Thura Shwe Mann explained that the military took the action in order to confine Military Intelligence Service within its responsibilities and not be influencing outside its boundaries.⁷ On these charges, Khin Nyunt who led Military Intelligence for twenty years was dismissed from the post and detained. The entire personnel of Military Intelligence were forced to retire, if not arrested and tried, by December 2004.

⁴ “Complete Explanation on the Developments in the Country given by Gen. Thura Shwe Mann, member of the State Peace and Development Council and Lt Gen.Soe Win, Prime Minister at Zeyar Thiri Hall on October 24 2004 and Explanation by Secretary-1 Lt. Gen. Thein Sein on October 22 2004”, as supplement to *the New Light of Myanmar* on 25 October 2004. p6

⁵ Ibid., p3

⁶ Ibid., p4-5

⁷ Ibid., p15

1.2 Perception Gap - Central Question

Many were taken off-guard by the news. There had long been speculations about the tenuous power balance in the top leadership of the military, namely Than Shwe, the highest ranked and the only Senior General in the military, and Maung Aye, the second highest ranked general, Vice Chairman of SPDC and Commander in Chief of the Army, and Khin Nyunt. Observers had also speculated about the personal rivalries between Maung Aye and Khin Nyunt. Individual members of the SPDC have been characterised by observers as either “moderates” (reportedly led by Khin Nyunt) or “hardliners” (Than Shwe or Maung Aye), and held accountable for perceived shifts in the regime’s policies, as Andrew Selth pointed out.⁸

Despite the speculations, no one had predicted the sacking of Khin Nyunt and the dismantling the entire Military Intelligence. On the contrary, a widely shared view was that the military leadership would stick together for the foreseeable future. David Steinberg wrote in 2001, “although there had been rumours of personal rivalries between the two men (Khin Nyunt and Maung Aye), few were predicting an overt split, at least in the near term. The ruling elite of the *Tatmadaw* is held together because the members still recognized that they need each other.”⁹ Selth, citing a *Time* journalist, stated; “Much has been made of the apparent rivalry between Kyin Nyunt and Maung Aye, but neither are likely to risk- or permitted to risk – a serious fracture in the armed forces simply to gain the top position (of Than Shwe).”¹⁰ Selth also said; “The bonds that tie the members of the regime together are currently stronger than the issues which divide them.”¹¹ Mary P. Callahan warned in 1999 that there were in fact cracks in the *tatmadaw* edifice, the most serious of which were “the centre-periphery disputes between regional commanders and the junta and intergenerational tensions”.¹² But that Military Intelligence under Khin Nyunt complemented SPDC which had failed to implement policies of “ad hoc nature”, by consolidating coordinating authority.

⁸ Andrew Selth, *Burma's Armed Forces: Power without Glory*, p263

⁹ David Steinberg, *Burma :The State of Myanmar*, p76

¹⁰ Selth citing Robert Horn, ‘Two to Tangle’, *Time*, 18 Dec 2000 in *Burma's Armed Forces*, p262,

¹¹ Selth, *Burma's Armed Forces*, p268

¹² Mary P Callhan, ‘Junta Dreams or Nightmares? Observations of Burma's Military Since 1988’ *Bulletin of Concerned Asian Scholars*, Vol. 31, 1999, p57

These views stood in remarkable contradictions to actual events of October 2004. Also the widely shared perception of power Khin Nyunt and Military Intelligence held contradicted to the reality. Khin Nyunt had often been described as “one of the most powerful” generals ¹³ in the military government. Military Intelligence had “evolved into an organization that was credited with near omnipotence in Burma’s political realm.” ¹⁴ However, Khin Nyunt and Military Intelligence fell suddenly and easily, with no reports of active resistance or bloodshed. Since then, attempts have been made to explain the reasons for the demise of Khin Nyunt and Military Intelligence.

Initially, there were two leading explanations for the surprise fall. First, Khin Nyunt was becoming so powerful that they posed a threat to the rest of the leadership of the military. Second, there were conflicts of interest over business among the leadership. Some speculated about personal relationships. One journalist reported “(the sacking) was a move of Than Shwe who orchestrated the arrest of chief rival Khin Nyunt to consolidate control of the ruling military junta”¹⁵. Another claimed that there was “mutual antagonism between Maung Aye, a career soldier and long time field commander and Khin Nunt who had never commanded troops”. ¹⁶ None of these explanations provided me with satisfactory answers. If Khin Nyunt had been so powerful why was it so easy for the military to dismiss him? As for business interest, what business interests possibly claimed the dismantling of the whole intelligence organization which could severely risk national security? Antagonism theory could not explain why it had to be done at that particular time, not before nor after.

These explanations led to the central question of the thesis; were Khin Nyunt and Military Intelligence really powerful? Based on the assumption that they were what power did they hold? If they were not, was their power perceived larger than the reality? This thesis probes these questions in an attempt to understand what had happened in the *Tatmadaw*, which occupies the “pinnacle of power” ¹⁷ and has been the preponderant institution in Myanmar since its independence.

¹³ See for example, Reuters “Myanmar general shrugs at ‘Prince of Darkness’ “ 7 May 1999

¹⁴ Mary P Callahan, *Making Enemies: War and State Building in Burma*, p212 citing journalist Bertil Litner’s “Velvet Globe”, *Far Eastern Economic Review*, 7 May 1998

¹⁵ Emmanuel Evita, *Analysis: Business as usual for Burma’s junta*, UPI, 2 Nov 2004

¹⁶ Col. R. Hariharan (retired) *Burma (Myanmar): Why the Prime Minister was sacked?* Paper no. 1150, 25 October 2004.

¹⁷ David Steinberg, *Burma*, p69

1.3 Argument

The main argument of this paper is that the downfall of Khin Nyunt and Military Intelligence was a consequence of conflicts which arose from the power dynamics between the *Tatmadaw* and Military Intelligence on both personal and institutional levels. The *Tatmadaw* as the military institution did not tolerate any autonomous entity within the system and chose to keep its command structure intact even at the expense of its role as government. Khin Nyunt had the delegated authority by the military leadership to oversee broad range of day-to-day socioeconomic issues, requiring Military Intelligence to perform not only as an intelligence apparatus but as a government within the government. As its sphere of influence expanded, however, in the eyes of other military leadership, Military Intelligence no longer acted merely as “the eyes and ears”¹⁸ of the *Tatmadaw*; it had a mind of its own, undermining the *Tatmadaw* as institution.

The research findings suggest that Khin Nyunt gained new political and economic power through his skilful negotiation and diplomacy with former enemies and potential threats, including armed ethnic groups, political oppositions, neighbouring countries and the international community. Khin Nyunt became politically shrewd and adept in bargaining. As Khin Nyunt and Military Intelligence were militarily weak, they had the impetus to seek power elsewhere outside the military. The newly gained power posed a challenge to the entrenchment of the *Tatmadaw* in the political and economic fabrication of the country. Moreover, with its tight grip on information, Military Intelligence made Khin Nyunt the most internationally high-profiled general in the country and presented new values, both posing a threat to the more insulated *Tatmadaw* leadership. The growth of power created for Military Intelligence sources of weakness. They overestimated their own power and became abusive. Crucially, Military Intelligence became distracted by the new business opportunities, which undermined the intelligence capability so much that it could not even prevent its own demise. Military Intelligence became a victim to its own success.

¹⁸ Col. San Pwint., *The Intelligence Service of Ancient Myanmar Kingdom*, (Yangon: San Yae Kyi Sar Pae, 2004) , Preface

1.4 “Military Regime Collapse” Theories from Latin America

When we turn to literature on analysis of Myanmar’s military, which will be elaborated further later in this chapter, the number of scholarly works is much fewer in comparison to, for instance, Latin America, where the 1980s and 1990s brought a return to civilian rule to many countries, which the military had ruled for the previous two decades. The main question there is why the military regimes deteriorated and democracy came in to play. In case of Myanmar, the *Tatmadaw* till now shows no sign of breaking down. By purging Khin Nyunt and Military Intelligence, Kyaw Yin Hlaing even points out that “the *Tatmadaw* seems more unified than ever.”¹⁹ Yet, literature on the collapse of the military regimes in Latin America can help by setting a theoretical framework to analyze the *Tatmadaw*. The *Tatmadaw* may be unified than ever, but the fact that the *Tatmadaw* had to dismantle the once called “omnipotent”²⁰ intelligence organ indicated that serious conflicts and fractures did exist within the system. Notwithstanding the geographical and historical differences, the author believes it would be feasible to apply theories of the collapse of Latin American military regimes to explain the collapse of Military Intelligence under Khin Nyunt.

A. *Cause of Conflicts: Military-as-Government vs. Military-as-Institution*

Bruce Farcau in *The Transition to Democracy in Latin America: The Role of the Military* (1996) lays out theories given for the collapse of the military regimes in Latin America. One theory is that the military could not become the government without ceasing to be the military, advocated by Alain Rouquie in 1982.²¹ Adam Przeworski further elaborates this theory that conflicts within the military regime can be a cause of its downfall, most visible of which would be between the military-as-government and the military-as-institution, “where these two groups of men in uniform develop different sets of priorities for dealing with their day-to-day functions, and the interests of the former may come to be perceived as possibly injurious to the long-term interests of the military institution.” Once military takes up the role of a government, it is impossible to

¹⁹ Kyaw Yin Hlaing, ‘Myanmar in 2004: Another Year of Uncertainty’, *Asian Survey*, Vol. 45, Issue 1 pp.174-179 University of California

²⁰ Callahan, *Making Enemies*, p212

²¹ Alain Rouquie, *L’Etat Militaire en Amerique Latine* (Paris: Seuil, 1982) p 357 cited by Bruce W. Farcau in *The Transition to Democracy in Latin America: The Role of the Military* (Praeger, 1996) p20

take into consideration only the interests of the military institution, as the new general/president is now responsible for the running of the entire government, and issues which would have been tangential to his interests previously, now may cause him as much concern as the defence budget.²²

Applying this theory to the case of Myanmar, the *Tatmadaw* has been in charge of government virtually since 1962. Since the beginning of the current military government in 1988, it was Military Intelligence under Khin Nyunt as Secretary One of SLORC/SPDC and later as Prime Minister, functions of which increasingly resembled a government, formulating and implementing policies in various aspects of the civilian society, especially after mid 1990's. (This will be elaborated in Chapter Two) SPDC simply let Khin Nyunt and Military Intelligence deal with the day-to-day details of running the government. Therefore, it would be viable to see the possible divergence between Military Intelligence-as-government and the *Tatmadaw*-as-institution.

B. Cause of Conflicts: Military Mindset vs. Political Mindset

Another theory for the collapse of military regimes might be found in the nature of the military mind itself, Farcau writes. Most political scientists such as Morris Janowitz or Robert Dahl agree that the military lack skills in bargaining and political communication needed for political leadership, although Samuel Huntington has suggested that the professional military officer is capable of learning the art of negotiation.²³ Therefore, on the personal level, the mindset of a politician would naturally cause a conflict with the mindset of the military-men.

This theory is equally useful in the analysis of the relationship between Khin Nyunt and the rest of the military. As Callahan avers, "the post-war Burmese regimes have been made up of war fighters who never mastered the art of politics enough to win

²² Adam Przeworski, 'Some problems in the Study of the Transition to Democracy', in Guillermo O'Donnell, Philippe Schmitter and Lawrence Whitehead, (eds), *Transitions from Authoritarian Rule*, vol.3, *Comparative Perspective* (Baltimore: John Hopkins University Press, 1988), 47-64 cited by Bruce W. Farcau (1996), p35

²³ Morris Janowitz, *The Military in the Development of New Nations* (Chicago: Chicago University Press, 1968), p28, Robert Dahl, 'A critique of the Ruling Elite Model', *American Political Science Review* (June 1958), p464 and Samuel Huntington, *The Soldiers and the State: the Theory of Politics in Civil/Military Relations* (Cambridge: Harvard University Press, 1957). P98, all cited by Farcau, p38

a single election.”²⁴ However, among the *Tatmadaw*-men, if anyone came close to be a politician, it was Khin Nyunt. Not equipped with any combat troop, his main task was to keep civilians under control by other means such as manipulation of information and bargaining with enemies to minimize the threats to the existence of the *Tatmadaw*. Khin Nyunt was indeed capable of learning the art of negotiation, as Huntington put it.

Therefore, two hypotheses can be drawn; A) conflicts existed between the *Tatmadaw*-as-institution and Military Intelligence-as-government; B) Khin Nyunt’s mindset as a negotiator was different of those of the rest of the *Tatmadaw* leaders, which was perceived as injurious to the existence of the *Tatmadaw*.

1.5 Power Relation Approach

In case of Latin America, the dominant approaches in the study of military-state-society relations have pointed to crucial relations of power between civilian and military institutions.²⁵ These approaches were orientated by Samuel Huntington’s study of the military focused on civilian-military relations articulated in his landmark books, *The Soldier and the State* (1957) and *Political Order in Changing Societies* (1968) and Bengt Arbahamsson, focussing on military political power and its resources and modes of mobilization the military could use to resist decisions concerning it.²⁶ The thesis takes up this power relation approach, between the military and the civilian sides of the society, and between Khin Nyunt, Military Intelligence and the rest of the *Tatmadaw*.

1.5.1 What is Power?

It is essential to lay down what *power* means first. Max Weber defined *power* in sociological terms in *Basic Concepts in Sociology*; “opportunity existing within a social relationship which permits one to carry out one’s own will even against resistance and

²⁴ Callahan, *Making Enemies*, p8

²⁵ See Felipe Aguero, “Institutions, Transitions, and Bargaining Civilians and the Military in Shaping Post authoritarian Regimes” in *Civil-Military Relations in Latin America: New Analytical Perspectives*, David Pion-Berlin (ed), (Chapel Hill, NC: University of North Carolina Press, 2001), p194

²⁶ David Pion-Berlin (ed), *Civil-Military Relations in Latin America: New analytical Perspectives* (Chapel Hill: University of North Carolina, 2001) p194

regardless of the basis on which this opportunity rests.”²⁷ Huntington’s definition of *power* is “the capacity to control other people’s behaviour,” positing that it breaks down into two dimensions: “the degree of power or, in other words, the point to which somebody’s particular behaviour is controlled by another, and the scope or field of power, in other words the types of behaviour which are influenced by another individual or group.”²⁸ Applying these definitions to the case, those who ousted Khin Nyunt and Military Intelligence had the power to carry out their will. The ousting was done not by election or other democratic means, but by force, which is the central power of the military. The act was done by the rest of the *Tatmadaw* which meant that they were more powerful than Khin Nyunt and Military Intelligence.

1.5.2 Categories of Power for the Analysis

As power is relative and used in the context of relationship, it is crucial to analyse different elements of power which Khin Nyunt and Military Intelligence held. Clearly defining what power they held as opposed to whom and how it played out in the power dynamics vis-à-vis each counterpart will be necessary. This is helpful in explaining the downfall of Khin Nyunt and Military Intelligence and in understanding why there existed the gap between the reality and the perception of their power. In Myanmar where the military rules, the primary power is the might of the military or the physical power. It is essential to understand that as long as the military rule remains, other various categories of power are secondary to the power of might. This is of course not to say that the rest of the powers are of no importance. Since the current military regime was established in 1988, changes have taken place that made both the degree and scope of power relations more complex and dynamic. The domestic economy went through changes from its rigid socialist planned economy to slightly more relaxed market-oriented economy. There have been more interactions with the regional community such as ASEAN and the international community. These changes were crucial for the fluctuation in power relations between Military Intelligence and the *Tatmadaw*. This thesis uses the following categories of power to define strength and weakness of Khin Nyunt and Military Intelligence in comparison with the rest of the military.

²⁷ Max Weber, *Basic Concepts in Sociology* (Citadel Press, New York: 1962) p117

²⁸ Huntington is cited by Ernesto Lopez, “Latin America Objective and Subjective Control Revisited” in David Pion-Berlin (2001), p88

1) Power within Military

This is the central form of power of the military. What military power did Military Intelligence had within the military? Based on research, the paper analyzes what size and command structure Military Intelligence had and what was their position within the military to understand to what extent they held power.

2) Power versus Civilian Society

Military Intelligence exerted power against the civilian side of the society. With the coercive nature of military power, how did Military Intelligence operate vis-à-vis the civilian society?

3) Political Power

Khin Nyunt was Secretary One of SPDC and later Prime Minister. The delegated authority provided him with certain power. The power as opposed to possible threats such as ethnic minority groups, political oppositions and the international community will be analyzed.

4) Power of Economy

Power in terms of economy should be analyzed. Since the socialist era, the armed forces played a dominant role in the economy of Myanmar. Against this background, what economic power did Khin Nyunt and Military hold compared with the rest of the military?

5) Power of Information

Information can be a source of power. Since Military Intelligence was an intelligence organization, how did they apply the power of information? What power did the information provide with Military Intelligence?

1.6 *Tatmadaw* and Power in Literature

Since the uprising of students and public and the bloodshed during the period of 1988, and especially after the award of Nobel Peace Prize to Aung San Suu Kyi in 1991 (who became the first laureate under house arrest at the time of award), there has been much interest in the affairs of Myanmar among journalists, scholars and writers. The books and publications on contemporary Myanmar in English or Japanese tend to focus on politics from the view point of democratization, social issues and human rights issues or security issues, usually in the context of ASEAN or Asia-Pacific region.

There are those that use culture to explain the political phenomena in Myanmar. Lucian Pye explained in *Politics, Personality and Nation Building: Burma's Search for Identity* (1962) that “there are few cultures that attach greater importance to power as a value than the Burmese. Considerations of power and status so permeate even social relationships that life tends to become highly politicized”.²⁹ The author is not readily convinced that the value of power is so embedded in the culture of the Myanmar people that it allows the current social structure to be what it is.

Prominent Myanmar expert David Steinberg, in his comprehensive analysis of today's Myanmar, *Burma: The State of Myanmar* (2001) analyses concept of power in modern Myanmar which is particularly useful. He points out that the most fundamental concept of power in society of Myanmar is the “finite nature of power”. In comparison to the concept of infinite power which can be shared, delegated or distributed so that it may result in greater power, the traditional concept of power as finite makes it difficult for power to be shared, delegated on an individual or institutional basis, thus “power becomes highly personalized”.³⁰ Steinberg also says that the concept of power in Myanmar “continues to be defined in a descending hierarchy: personally, institutionally, and ethnically. The critical figures in the SPDC have personal power, the military has institutional power and the Burmans have ethnic power.” By applying these conceptual categories to what happened to Khin Nyunt and the Military we learn following

²⁹ Lucian W. Pye, *Politics, Personality and Nation Building: Burma's Search for Identity* (New Haven: Yale University Press, 1962), p.146 cited in Steinberg, *Burma: The State of Myanmar*, p38

³⁰ *Ibid.*, p38

points.³¹ First, *personalized power* is evident in the fact that SPDC not only detained and sacked Khin Nyunt but also dismantled the whole organization of the Military Intelligence, with its entire staff either detained or forced to retire. Khin Nyunt's family members were also detained. This fact suggests that Military Intelligence was seen as Khin Nyunt's personal power base. Second, the concept that *military is the only powerful institution* is exemplified in the fact that Military Intelligence was an internal part of the military. The fact that the whole organization of Military Intelligence was brought down could suggest that Military Intelligence was seen dangerous or not beneficial to the integrity of the institutional power of the military as a whole. The combination of these factors concepts help us to understand why the whole organization was dismantled. Military Intelligence was seen as Khin Nyunt's personal power base. The officers in Military Intelligence were seen loyal to Khin Nyunt, so it was essential for the military to sack the entire Military Intelligence staff.

Unfortunately, there are very few scholarly works on the *Tatmadaw* itself today. Andrew Selth is the best informed scholar of the *Tatmadaw*, who wrote *Burma's Armed Forces: Power without Glory* (2002) which covers *Tatmadaw*'s strategic posture, its defence policies and threat perceptions; military doctrine, defence expenditures, combat capabilities and each force included the intelligence apparatus. Selth has written many working papers which became the basis for compiling *Burma's Armed Forces*. His work is a vital source for this thesis. But his research appeared to have stopped around 2000 as far as Military Intelligence was concerned. After 2000, Military Intelligence went through the final and important restructure where Information Technology Department was incorporated. The first chapter in the thesis is about that restructure and how Military Intelligence was structured before it collapsed.

Maung Aung Myoe also wrote detailed facts about the *Tatmadaw*, its organizational development and analysis of its doctrine in working papers such as *Building the Tatmadaw: The Organizational Development of the Armed Forces in Myanmar, 1948-98* (1998) and *Military Doctrine and Strategy in Myanmar: A Historic Perspective* (1999). Desmond Ball's *Burma's Military Secrets: Signals Intelligence*

³¹ Ethnic power is an exception in this case, as the majority of SPDC's current leadership are Burmans.

(*SIGINT*) from 1941 to *Cyber Warfare* (1998) concentrates on history and capacity of signals intelligence of not only the *Tatmadaw* but other armed ethnic groups' SIGINT capacity.

Mary P. Callhan's *Making Enemies: War and State Building in Burma* is an important work on the history of the *Tatmadaw* and the state building in Myanmar. While the scope of her research was from 1862 to 1962, it addresses many important questions that are relevant to this thesis. Callahan describes why the *Tatmadaw* intentionally maintained a strong perception that they were surrounded by potentially hostile enemies and – be it politically motivated citizens, their potential conspirators, ethnic minority groups, or foreign colonial powers. This belief was so strong that most military leaders did not trust anyone outside the *Tatmadaw*. (Often they could not trust each other either.) Callahan argues that warfare created state institutions that in many situations cannot distinguish between citizens and enemies of the state. She does not believe in cultural explanations for the durability of the military regimes, and argues that the military regimes of the post-war era do not result from culturally or cunningly produce “political movement[s] in military garb”.³² This view of hers is compelling.

Callahan's Research Note, 'Junta Dreams of Nightmares? Observations of Burma's Military Since 1988' (1999) rightly pointed out that in the *Tatmadaw*'s edifice, which looks monolithic on the outside, there exist elements such as the rise to power of the regional commanders and inter-generational gap of the old guards and the younger generations who have not had to fight for quite some time. Even after Khin Nyunt and Military Intelligence are out of the picture, these elements still remain and it will be interesting how they will play out in the long run within the *Tatmadaw*.

On the political economy aspect of Myanmar, Robert H. Taylor's (ed.) *Burma: Political Economy under Military Rule* (2001) deals with Myanmar's stagnation, why it continues and why international effort to break the impasse remains unsuccessful, and addresses the urgent need for new ideas, new thinking and new approach to issues of

³² Callahan cites Dorothy Hess Guyot, “the Burma Independence Army: A Political Movement in Military Garb” in *Southeast Asia in World War II: Four essays*, ed. Josef Silverstein (New Haven, 1966) p51. Callahan notes that other scholars use this characterization to explain why the military has maintained political power for three decades and that this is the most cited phrase in studies of modern Burmese politics. *Making Enemies*, p229

Myanmar. In his chapter of the book, 'Stifling Change: The Army Remains in Command' Taylor astutely points the sense of stagnation and lost dynamism among SPDC, "it is difficult to remember the sense of dynamism which enthused the SLORC in the first few months and years of its existence. Ministries and Ministers had greater autonomy than had their BSPP predecessors. Foreign contact grew rapidly, as did trips abroad and opportunities to enter into business, either officially or unofficially. There was a sense of morale, at least at the top levels, and provided a sense of achievement and action."³³ The author began visiting Myanmar from 1999. Among SPDC officials, the author felt that there was the sense of frustration about the stagnation. That mood of stagnation seemed to change, at least among Military Intelligence officers, when the new business opportunities of Information Technology and new publications arrived. It felt as if they finally rediscovered the sense of excitement of devoting for something new. Taylor's *The State in Burma* (1987) laid the foundation for understanding the history of Burma of the evolution of the state since the pre-colonial period to 1987.

A well narrated documentary history of modern Myanmar written by journalist and writer, Martin Smith, *Burma: Insurgency and the Politics of Ethnicity* (1999) gives readers a different perspective of the history, from the view point of armed ethnic groups which fought and negotiated with the military government. Smith writes about the leadership of the *Tatmadaw*, "In many respects, the military government appeared to be in a more entrenched and powerful position than ever.... Despite all the speculation over splits, the different wings of the *Tatmadaw* leadership, including Than Shwe, Maung Aye and Khin Nyunt had all pulled together when the first real test had come of their unity in the post- Ne Win era. Self interest or not, the belief remained strong among *Tatmadaw* loyalists that in times of crisis, a split within the *Tatmadaw* would be one of the worst scenarios that Burma could face."³⁴ They had stuck together until at least late 1990's. It is possible that changes of circumstances came in after millennium. The structural changes of Military Intelligence, as research finds as described in the next chapter took place in 2001. The outset of the twenty first century could be seen as the beginning of those changes.

³³ Robert H. Taylor (ed), *Burma: Political Economy under Military Rule* (London: Hurst & Co., 2001) p9

³⁴ Smith, *Burma*, p434

There has not been yet any substantial publication on the analysis of the downfall of Khin Nyunt and Military Intelligence. A couple of analytic articles deserve particular mention. First is “The Praetorian Paradox – the Pathology of Coercive Power”, *Asian Analysis* (2004) which is extremely insightful. Written by an anonymous observer, it suggests that the sacking of Khin Nyunt and the purge of all Military Intelligence personnel had the striking parallels to the demise in 1983 of the then powerful intelligence chief Tin Oo and that these purges could be seen as “symptoms of a systemic problem of a regime exerting tight social control through the coercive powers of an intelligence apparatus. The latter outgrew its usefulness when it became pervasive and all-powerful through its ability to amass information, exercise extra-judicial authority and enjoy great operational latitude in the name of national security.”³⁵ This is an intriguing analysis, pointing that Military Intelligence grew into a state within a state and increasingly threatened the integrity of the armed forces’ command structure. However, it is a very brief analysis and does not provide with any evidence. Second analysis is “The beginning of the end or Genuine Reforms?” in *Burma Analysis* by Euro-Burma Office. It was written on 9 November 2004, only a couple of weeks after the announcement of the sacking. Interesting point is that it attributes the SPDC paranoia about Khin Nyunt's ambition to the good relation he had with Thailand’s Prime Minister Thaksin Shinawatra; “cooperation with Thai Prime Minister Thaksin Shinawatra's Bangkok Process, and the growing international acceptance of Khin Nyunt and the regime's road map, made the SPDC even more paranoid and uneasy about Khin Nyunt's ambitions.”³⁶

One common characteristic in all books mentioned above is that the authors seem to have more knowledge about Khin Nyunt and Military Intelligence than other senior generals in the Defence Services. This trend comes from the fact that senior officials of Military Intelligence were the contact points for foreign scholars. Military Intelligence was their gateway to Myanmar, and the only way for foreign scholars and journalist to get access to the country. They commanded better English, seemed to have better knowledge about the outside world, and appeared moderate or even sophisticated. This

³⁵ Anonymous, “The Praetorian Paradox – The Pathology of Coercive Power” *Asian Analysis*, December 2004, accessed at www.aseanfocus.com/asiananalysis/article.cfm?articleID=801.

³⁶ Euro Burma Office, “The Beginning of the End or Genuine Reform?” *Burma Analysis* (Brussels: November 2004)

might have been a trap for many, the author included, giving them an image of the *Tatmadaw* different to the reality. It might also have lead many outside observers to misjudge the position of Military Intelligence within the military.

Much of the findings of this thesis are based on the research and interviews conducted by the author in the period between 1999 and 2006. It is in the author's hope that the research findings fill in some gap of the last few years of Khin Nyunt and Military Intelligence before its demise. It presents new findings of the last structure of Military Intelligence and how it functioned as a government, formulating and implementing policies, even intervening market by force or giving directives to central bank in order to solve the banking crisis of 2003. It also presents evidences that Khin Nyunt and Military Intelligence were new economic power compared to the regular military. The paper can contribute to recording some hard facts about Khin Nyunt and Military Intelligence, which remained a secretive organization throughout their existence.

1.7 Sources and Methodology

Due to the lack of open materials, the author has relied on many secondary sources that are listed in the bibliography. For the research of the thesis, interviews were conducted with journalists and publishers in Myanmar, the *Tatmadaw* officials, some of whom are still working and some not, those who were involved in inception of Information Technology in Myanmar, foreign journalists, diplomats, and UN officials during the period of 1999 – 2006. The interviews serve as primary sources for the thesis. Some internal reports circulated within the Military Intelligence were documented, sources of which must remain anonymous. Due to safety or professional reasons, some interviewees prefer not to disclose their names. For similar reasons, some dates and places where the interviews were conducted cannot be mentioned.

1.8 Thesis Structure

Chapter One presents the central argument of the study and theoretical framework that informs the setting and the approach to the subject of the thesis. It contains the literature review and contribution of the thesis.

Chapter Two looks at the possible cause of conflicts on institutional and personal levels. Power relations between *Tatmadaw* and Military Intelligence will be examined. First it analyzes the power of Khin Nyunt and Military Intelligence and the relations with the rest of the military. It documents the position of Military Intelligence within the whole command structure of *Tatmadaw*. Based on interviews, the size and the last structure of Military Intelligence before it was dismantled are presented. As a part of the military institution, Military Intelligence's coercive power against its own civilians is analyzed, too. Since mid-1990's, Military Intelligence increasingly functioned as a government within the government. How it might have affected the power relations vis-à-vis the *Tatmadaw* as institution is discussed. On the aspect of mindset, Khin Nyunt was adept in negotiation and had the political skill of bargaining. Whether that caused conflicts within the mindset of the *Tatmadaw* men is examined.

Chapter Three analyzes the power dynamics of the economy. It presents the historical background of the *Tatmadaw*'s role in Myanmar's economy. Findings are presented to show that Military Intelligence's economic activities were relatively new in comparison with the rest of the military. It then traces the relationship between Military Intelligence and the Information Technology sector. It details the inception of IT industry and the establishment of a semi-private enterprise Bagan Cybertech, whose board members were Military Intelligence officials and the son of Kyin Nyunt. It provides an example of how cronyism developed, which was finally intervened by the military government.

Chapter Four analyzes the power of information. The chapter looks at how Military Intelligence controlled the inflow and outflow of essential information by having a tight grip on both domestic and foreign media. It presents cases of Military Intelligence's efforts to present a better image of the military government through information dissemination to the world and the process of its involvement in publication

business. The power of information gave the face of a “moderate” to Khin Nyunt. It then examines how Military Intelligence eventually overrode the rule of censorship that indicated another sign of over confidence.

Chapter Five is the conclusion. It re-examines the theoretical and empirical basis of the study. It then discusses the remaining enclaves of issues and suggests how and what subjects could be further studied based on the thesis.