

Developing Myanmar's Public Private Telecommunications Partnerships

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Abstract

Myanmar has embarked on a rapid pace of political liberalization and market-oriented reforms after 60 years of conflict and isolation. Myanmar labeled one of the world's most repressive, censored and underdeveloped telecommunications sectors, has adopted a host of reforms to rapidly improve the nation's economy and quality of life of its citizens. A critical component of this objective is modernizing Myanmar's information and communications technology (ICT) infrastructure with its exceptionally low penetration rates given the size and the potential of the market. Myanmar's selection of Ooredoo and Tenenor to expand the country's limited mobile services network was transparent, fair and corruption free. Both international telecommunications corporations have extensive "telecommunications frontier" experience and have five-year plans to grow the mobile services penetration rate to 100%. This paper argues that establishing and sustaining public-private partnerships are pivotal for Myanmar's telecommunications infrastructure to reach its full potential by building entrepreneurial and public policy solutions that contribute to socioeconomic development and entry into the global information environment. It then analyzes the opportunities that Multilateral Organizations, United States agencies and corporations have to influence Myanmar conclusively by instituting a modern regulatory framework, promoting market innovations and competition aimed at developing shared principles to usher private sector activities in a transitional economy. Lastly, the paper provides policy recommendations for Myanmar's continued political and economic liberalization agenda.

Keywords: Myanmar, Information, Telecommunications Infrastructure, Public-private partnership, World Bank, Ooredoo, Tenenor, Cisco Systems, USAID.

Introduction

In 1885, Myanmar was proclaimed as the greatest place to invest in the world in Archibald Colquhoun's *Burma and the Burmans: Or, "The best unopened market in the world."*¹ The last sixty years of isolation and poverty resulted in Myanmar's underdeveloped infrastructure, mismanagement and missed economic investment opportunities and catastrophic socioeconomic misfortunes.² Only North Korea has lower cellphone penetration than Myanmar as a result of a stunted telecommunications sector under military rule with the aim of enforcing secrecy and hampering communications.³ Decades of terrible policy compounded by a poor population crippled Myanmar's economic fortunes, while its neighbors in Asia became "Tigers".

President Thein Sein's reformist agenda since taking office in March 2011 is attracting global attention for its economic potential and an investment destination for corporations. A critical component of this agenda is modernizing Myanmar's information and communications technology (ICT) infrastructure with its exceptionally low penetration rates given the size and potential of the market. The stewardship of harnessing foreign capital and accompanying technology will enable the country to compete with its Southeast Asian neighbors like it has never done before. Forging telecommunications public-private partnerships have proven essential for Burma's telecommunications infrastructure to reach its full potential by creating entrepreneurial and public policy solutions that contribute to socioeconomic development and entry into the global information society. Specific attention will focus on opportunities for United States agencies to positively influence Myanmar by creating a modern regulatory framework, promoting market innovations and competition that will make it more attractive to foreign investors.

Background

Myanmar's mobile phone penetration level has increased from just 1.5% in 2012 to 10% in 2014, compared with

¹ Archibald Colquhoun, *Burma and the Burmans: Or, "The best unopened market in the world,"* (University of Michigan Press, 1885).

² Shibani Mahtani, "Myanmar Phone Service Makes Leap," *The Wall Street Journal*, August 17, 2014, <http://online.wsj.com/articles/myanmar-phone-service-makes-leap-1408296679>.

³Ibid.

57% in Cambodia, 64% in Laos and 100% in Thailand and Malaysia.¹ This untapped market of 60 million people with 68% of the population between the ages of 15 to 64 years old is telecommunications' final frontier. Optimism and investor confidence about conducting business in Myanmar is extremely high. The government of Myanmar is determined and committed to establishing a modern market- friendly business environment that aspires to equal the high connectivity found around the world. With the appreciation that the information communications technology sector serves as an enabler for national capacity building in most if not all other sectors of the economy. Concerned about the growing China dominance on its domestic economy, Myanmar is seeking to expand competition to multinational corporations and private investors. More importantly, Myanmar has learned the lessons from other developing countries such as the necessity for developing countries to establish a sufficient public-private partnership that sets the conditions for telecommunications investments and rapid growth of networks. In 2013, the government granted operating licenses to two companies whose entry into the market will provide the required capital and expertise to modernize Myanmar's telecommunications infrastructure.

Governmental Reform

Governmental reform is an essential for creating an environment that facilitates public-private partnership in Myanmar and promotes confidence in investors. Before Industry can reform society, the government and its institutions must first seize the initiative to change the methods and ways it regulates the economy. President Thein Sein's progressive reforms have included releasing political prisoners, allowing the formation of unions and the relaxation of censorship.² All necessary measures that promised a more democratic and free future for the sake of persuading the international community to lift the remaining economic sanctions on Myanmar. Recognizing that it was beyond its capacity to do itself, Myanmar required outside assistance to guide the way to a free market economy employing the best and fairest industry and government practices through several challenges. Multilateral Organizations and corporations were encouraged to expand their financial and technical support to complement the government's transformational efforts. After 60 years of a controlled economy little experience and expertise was available to expand its institutional capacity and reform its legal framework to develop the telecommunications industry.

The Foreign Investment Law (FIL) of 2012 was adopted with the purpose of fostering a more amenable environment for private investors. Most importantly, "it guarantees against nationalization and expropriation and establishes the right to use land."³ The FIL promotes and enables Foreign Direct Investment (FDI) and is a vital aspect to establishing protection, incentives and transparency for public-private partnerships and foreign investors in the developing economy. Another key component of FIL is the requirement for foreign firms to hire Myanmar citizens to skilled positions, 25% the first two years, 50% the fourth year, and 75% by the sixth year.⁴ This constructive legislation is critical to gaining public support and re-investing values, experience and wealth back into the nation with the anticipation of increasing Burmese owned corporations in the future.

The Internet once an instrument of repression and censorship in Myanmar is emerging as "democracy technology" as a result of Institutional reforms. The Telecommunications Act became effective on October 8, 2013 with the aim of attracting more private sector presence in developing the telecommunications sector and mandated the creation of an independent regulator, Myanmar Telecommunications Commission (MTC) by 2015.⁵ "We have enacted laws that are lucrative and attractive for foreign investments to flow into the country and at the same time we have also enacted laws that would give protection to international investors in accord with the international norms," stated President Thein Sein.⁶ However, many Burmese public officers lack the experience to manage the economic and political reforms to transition to a market driven economy. Twenty-First Century administrators, technical personal and managers are in short supply in telecommunications skills

¹ Race heats up for Burma telecoms licenses, January 30, 2013, <http://www.burmanet.org/news/2013/01/30/mizzima-news-race-heats-up-for-burma-telecoms-licenses/>

² Asia Telecoms, "The appeal of 60mn people but less than 3mn mobile users," March 14, 2012, [http://www.iflr.com/pdfs/newsletters/Asia%20Telecoms%20-%20Myanmar-an%20untapped%20telco%20market%20\(14%20Mar%202012\).pdf](http://www.iflr.com/pdfs/newsletters/Asia%20Telecoms%20-%20Myanmar-an%20untapped%20telco%20market%20(14%20Mar%202012).pdf)

³ Gordon Wong, "Myanmar: From Investment Abroad to Improvement at Home." *The Diplomat*, August 17, 2014, <http://thediplomat.com/2014/08/myanmar-from-investment-abroad-to-improvement-at-home/>.

⁴ Ibid.

⁵ World Bank, "Project Appraisal Document to the Republic of Myanmar for a Telecommunications Sector Reform Project, January 13, 2014, <http://documents.worldbank.org/curated/en/2014/01/18836328/myanmar-telecommunications-sector-reform-project>

⁶ President Thein Sein Speech, March 26, 2014, <http://www.networkmyanmar.org/images/stories/PDF16/Thein-Sein-26-03-2014.pdf>.

throughout the country.¹ Moreover, Myanmar lacks the required financial systems, legal infrastructure and access to capital that normally facilitates telecommunications businesses. Fostering human capacity through training and educational programs are required actions to sustain the transition. Astute enough in recognizing the support of international organizations and multinational corporations, the Myanmar government ensured that extensive consultations with interested parties occurred, and that global best practices were adopted into the law. For example, the World Bank was able to provide its suggestions into the law to ensure that the passed law provided an adequate basis for partnership.²

The establishment of an independent regulator by 2015 is considered a critical aspect of the 2013 Telecommunications Act to sustain investor's confidence and is a consistent global best practice in reforming developing countries. Currently, the Ministry of Communications and Information Technologies (MCIT) establishes telecommunications policy and manages expansion initiatives.³ Its duties and responsibilities include examining and approving applications for infrastructure and service licenses.⁴ The newly corporatized Myanmar Posts and Telecommunications (MPT) is responsible for the daily functions of monitoring the sector, which also manages important mobile and anchored infrastructure and services. Many multilateral organizations and multinational corporations see the lack of an independent watchdog until 2015 as highly risky, but essential for continued economic growth and public-private partnership to flourish.⁵ Continued international organizations ministerial advisement and consultative support to Myanmar's governmental officials will result in fair and transparent laws with independent oversight required for expanded growth.

Public-Private Investment

The institutional expertise and financial loans of multinational organizations to the reform-minded Government of Myanmar contributes significantly to attracting corporations that establish the required infrastructure to propel economic development. With the urging of the Myanmar government, the World Bank, the International Monetary Fund (IMF) and the Asian Development Bank have increased their support and involvement. The World Bank's first funding project since returning to Myanmar in 2012 was to upgrade a power station in a country where more than 70% of the population does not have electricity.⁶ To remove the nation's outstanding debts, the World Bank approved the Myanmar Re-engagement and Reform Support credit worth \$440 million in January 2013.⁷ Adopting the successful telecommunications public-private strategy used in Afghanistan, the Myanmar government utilized the private sector while reforming regulations to help advance economic recovery through enabling private-sector investments in the expeditious expansion of mobile voicemails in urban areas.⁸ Secondly, cultivate the public information, communications, technology services so their accessible and affordable to the rural areas of the country. Accordingly, the private sector is consumed by profit while the public sector is guided by the extension of its influence, public support, governance, improved security and accessibility of telecommunications. Additionally, development in the telecommunications sector directly supports the advancement of the economy, "boosting up of productivity, accelerating of industrial activities, improvement in agriculture outputs, greater transportation efficiency and social equity."⁹ Myanmar's development path would be exorbitantly choppy without transnational corporations, which are accustomed to offering technical expertise and skill craft, while generating employment and an increased standard of living for the population.¹⁰

Myanmar's privatization of the telecommunications industry began in June 2013 with the awarding of a

¹ Larry Wentz, Frank Kramer, Stuart Starr, "Information and Communication Technologies for Reconstruction and Development: Afghanistan Challenges and Opportunities", January 2008, 10.

² World Bank, "Project Appraisal Document to the Republic of Myanmar for a Telecommunications Sector Reform Project, January 13, 2014, <http://documents.worldbank.org/curated/en/2014/01/18836328/myanmar-telecommunications-sector-reform-project>, 3

³ *Business Monitor International*, "Myanmar: Regulatory Bodies and Their Responsibilities," August 30, 2013, <http://www.marketresearch.com/Business-Monitor-International-v304/Cambodia-Laos-Telecommunications-Q4-8371430/>

⁴ Ibid.

⁵ *Business Monitor International*, "Dawn of the Mobile Age," September 2014, <http://www.telecomsinsight.com/industry-trend-analysis-dawn-mobile-age-oct-2014>

⁶ Michelle Foster, "The Business of Media in Myanmar, 2013", *Internews*, <https://internews.org/research-publications/business-media-myanmar-2013>

⁷ NG Cheong Yew, Thia Xi Wen, "Myanmar: Navigating the Risks and Opportunities," *International Enterprise Singapore*, Vol. 14, January 2014, <http://www.iesingapore.gov.sg/Venture-Overseas/Browse-By-Market/Asia-Pacific/Myanmar/Publications>

⁸ Larry Wentz, Frank Kramer, Stuart Starr, "Information and Communication Technologies for Reconstruction and Development: Afghanistan Challenges and Opportunities, January 2008, 12.

⁹ Asia Trade Hub, "Burma Infrastructure," September 29, 2014, <http://www.asiatraderhub.com/Burma/telecom.asp>.

¹⁰ Wong, "Myanmar: From Investment Abroad to Improvement at Home".

\$2 billion 15 year license to Norway's Telenor and Qatar's Ooredoo to expand the country's limited mobile services network. Global interest in the competitive process was reflective in the 100 telecommunications companies who bid on the lucrative contract.¹ The six-month contract process was widely seen by the international community and regulators as being transparent, fair and corruption-free. International organizations and multinational corporations took notice of the successful contract process as critically "important for demarcating Myanmar as a good place for international companies to do business."² By creating a truly level playing field, the Burmese government was exhibiting their commitment to liberalizing this frontier profitable market into a major competitive battleground.

Myanmar is projected to become the fastest developing mobile country in the world because of Ooredoo and Telenor in 2014-2015.³ At the conclusion of 2018, mobile subscriptions are estimated to reach 57.7 million with a penetration rate of 104%.⁴ Ooredoo aims to reach "30-40% of the population in 2014 and 97% the next five years, in line with the government's target of 75% mobile coverage by 2016."⁵ Telenor is expected to provide coverage to more than 90% of the Burmese population within five years as well.⁶ These successful roll-out operations will show weary investors that corporations can establish profitable enterprises in logistically challenged environments. The growth of the telecommunications infrastructure will lead to the ascension of civil society and the advancement of economic development. Telenor will concentrate on healthcare and financial services, and afford access to public service, education, health and government websites.⁷ While Ooredoo intends to provide health and financial services, as well as information for agriculture prices, equipment rental services and weather forecasts.⁸ Ooredoo and Telenor are applying all of its regional and global best practice and knowledge to provide a next generation mobile market in Myanmar's frontier market. Both experienced international corporations embrace the notion that telecommunications reforms society and the belief that it can galvanize human development by employing communications to assist populations reach their full capacity.

The United Nations (UN) has long recognized the information, communications and technology sectors as a tool for social and economic development. In 2003 and 2005, the UN sponsored the World Summit on the Information Society (WSIS) to promulgate the necessary procedures to initiate and manage the Information Society.⁹ The World Bank has capitalized on its exhaustive experience, and institutional know how to coach, teach and mentor developing economies on enabling the telecommunications sector to improve social well-being and promote rapid economic development. The World Bank's contributions and partnership with the Burmese government have ranged from reducing poverty, regulatory consultation to the promotion of foreign investment.

The Telecommunication Sector Reform Project was approved on February 6, 2014 by the World Bank Group Board of Executive Director's appropriating a \$31.5 million credit from the International Development Association.¹⁰ Most significantly this financial contribution was aimed at establishing a competitive institutional foundation that aspired to organizational integration for the growth of the telecommunications sector by initiating and facilitating the legal and regulatory climate for a market-driven future. The public-private partnership between Myanmar and the World Bank was successful because of its shared objective of expanding mobile phone access to the entire population at the lowest cost possible. Additionally, the project reformed the Myanmar Post and Telecommunications Agency to divide "the policy and operational functions of the government" to establish fairness.¹¹ The World Bank's previous frontier telecommunications experience was also pivotal in developing an outreach strategy for bringing mobile services to the rural areas of Myanmar to ensure the entire population benefits from the ongoing reform.

The World Bank's inclusive approach ensures that collaboration occurs between the Burmese government, the private sector and industry association representatives prior to the finalization of the project. This comprehensive outlook in developing Myanmar's telecommunications sector resulted in the requirement to

¹ *Business Monitor International*, "Market Overview-Myanmar Telecoms Market Overview," August 30, 2013, <http://www.businessmonitor.com/searchbox>.

² Springer, "The Buzz About Myanmar's Future Prosperity With Oliver Belfitt-Nash"

³ *Business Monitor International*, "Dawn of the Mobile Age,"

⁴ *Ibid.*

⁵ *Ibid.*

⁶ *Economist Intelligence Unit*, "Myanmar Country Report," September 30, 2014, <http://country.eiu.com/myanmar>, 25.

⁷ *Business Monitor International*, "Market Overview-Myanmar Telecoms Market Overview."

⁸ *Ibid.*

⁹ Larry Wentz, Frank Kramer, Stuart Starr, "Information and Communication Technologies for Reconstruction and Development: Afghanistan Challenges and Opportunities," 1.

¹⁰ The World Bank, "Myanmar Moves Toward Connectivity for All," February 6, 2014,

<http://www.worldbank.org/en/news/press-release/2014/02/06/myanmar-moves-toward-connectivity-for-all>

¹¹ *Ibid.*

provide technical assistance to execute legal review of data protection, cyber-crime, availability of information and privacy.¹ The identified gaps in these laws will then be reformed to comply with international best-practice while concurrently enabling the project implementing agency the Ministry of Communications and Information Technology (MCIT).² World Bank President Jim Young Kim signaled the long term commitment by announcing plans for a multi-year development package of \$2 billion.³ Consequentially the World Bank is the optimum international organization to coordinate and prioritize donor resources and consistency of international development efforts. Their leadership, reputation, integrity, institutional capacity, inclusiveness and record of achievement all constitute it as the multilateral lead in Myanmar.

U.S. Partnership Efforts

The United States engagement strategy with Myanmar is predicated on establishing and flourishing its public-private partnerships with American multinational corporations while enabling the on-going efforts of International Organizations like the World Bank to promote peace, stability and economic development. While the World Bank has focused on regulatory, legal and institutional reforms, the United States through the work of the Department of State's NetFreedom Task Force has championed the importance and advancement of Internet Freedom and communication technologies in developing countries. This strategy has driven the telecommunication sector conversation to addressing human rights, democratization, international communications policy, business advocacy and corporate social responsibility.⁴ Moreover, it fosters a collaboration with academia, non-government organizations and industry to promote "connection technologies" that entrust and empower citizens to contest any signs of censorship and surveillance.⁵ The private sector led Global Network Initiative (GNI) ushers nongovernment organizations, technology corporations, academic experts and social investment funds together to establish responses and procedures to government requests for censorship.⁶ The United States has demonstrated the paramount importance of telecommunications access by creating financial incentives for the establishment of best practices to combat Internet censorship. The State Department's Bureau for Democracy, Human Rights and Labor initiated a \$500,000 grant program for creative proposals and ingenious "approaches to combat Internet censorship in countries seeking to restrict basic human rights, including freedom of expression."⁷

The United States' vocal efforts on censorship and Internet Freedom has not only been directed at foreign governments, but also at American corporations who may be enticed by financial reward at the expense of human rights. Setting the conditions and managing corporate expectations are vital in developing previously closed markets, where American corporations may be tempted to supply telecommunications equipment that are then used to censor and monitor users. In 2009, media watchdog groups and some Members of Congress believed that several U.S. information companies furnished telecommunications support to China's "Internet censorship and political control efforts".⁸ Moreover, Secretary of State Hillary Clinton was consistently forceful in recommending to U.S. Internet companies to protest and prevent censorship in their abroad business operations.⁹ U.S. Department of State engagement efforts was initiated with the technology industry, human rights groups and other stakeholders to develop common principles and values that would guide companies in restrictive economies.¹⁰ The U.S. Responsible Investment Reporting requirements mandates that significant investments in Myanmar be entirely transparent about any finances going to the government while requiring U.S. corporations to show how their business operations support human rights.¹¹

Although the U.S. has eased most sanctions, the U.S. Treasury Department maintains a register of Myanmar companies and nations on the Specially Designated Nationals and Blocked Persons list (SDN list) that precludes American citizens or companies from conducting business with over 100 entities that are 50% owned

¹ Ibid.

² Ibid.

³ Ibid.

⁴ Patricia Moloney Figliola, *Congressional Research Service*, "Promoting Global Internet Freedom: Policy and Technology, October 22, 2013, www.crs.gov, 3

⁵ Ibid.

⁶ Ibid.

⁷ U.S. Department of State, "Global Internet Freedom Task Force (GIFT) Strategy: A Blueprint for Action," December 28, 2006, <http://www.state.gov>

⁸ Patricia Moloney Figliola, *Congressional Research Service*, "U.S. Initiatives to Promote Global Internet Freedom: Issues, Policy, and Technology, March 17, 2010, www.crs.gov, 7.

⁹ Ibid., 9.

¹⁰ U.S. Department of State, *Global Internet Freedom Task Force (GIFT) Strategy: A Blueprint for Action*

¹¹ U.S. Department of State, "U.S. Companies in Burma: Doing Business Responsibly," August 9, 2014, <http://www.state.gov/r/pa/prs/ps/2014/230465.htm>.

by (SDNs) which happen to control a majority of the developing economy.¹ Furthermore, U.S. citizens must disclose any new investments in Myanmar over \$500,000 to the State Department.² This economically constricted environment has resulted in much investor hesitation and has only resulted in U.S. companies committing \$612 million in foreign investment in Myanmar since July 2012, a humble amount contrasted to China's \$14 billion.³ "US firms are also understandably more circumspect with respect to any investment or commercial activity in Myanmar given the onerous nature of the US Anti-Bribery Act and its attendant penalties."⁴ Moreover, these U.S. government restrictions have hugely quelled American companies from establishing Myanmar as a significant business enterprise and left a void for other multinational corporations to fill and profit from.

The United States Agency for International Development (USAID) resumed its developmental work in Myanmar in 2012, where it focused on initiating new technology partnerships along with developing food security, democracy, human rights and rule of law programs.⁵ Fostering public-private partnerships with Corporate America, USAID coordinated a February 2013 visit to Myanmar that was attended by fifty U.S. telecommunications executives from Microsoft, Google, Cisco Systems and Hewlett Packard.⁶ "These are designed to bring the capabilities of America's information communication technology leaders to offer young people here the opportunity to be innovative and entrepreneurs and to really get some important skills," stated USAID Administrator Rajiv Shah.⁷ This gathering was a great example of U.S. Governmental agencies collaborating with the private sector to promote freedom of the Internet, and an opening for U.S. companies to communicate their best economic practices to a developing country. USAID working alongside the foreign service officers of the U.S. Embassy team are best positioned to leverage its local connections and knowledge of Myanmar's Institutions, access to key stakeholders, proposal development and current regulatory procedures to effectively assist U.S. companies in navigating through the reforming bureaucracy and emerging business environment.

The U.S. Government encourages U.S. corporations to uphold the highest ethical and professional standards for respectable business conduct in Myanmar and affirms that this course of action will result in everlasting affirmative impacts for both the Burmese population and U.S. corporations. Yet often the most effective spokesperson for Internet Freedom and expression comes from the well-respected executives of telecommunications corporations. Google's executive chairman Eric Schmidt in a speech to students in Yangon on March 22, 2013 urged the Burmese government to privatize many sectors of its economy and called for increased competition within the telecommunications industry. "Try to keep the government out of regulating the internet." "The answer to bad speech is more speech and more communication and voices," said Schmidt.⁸ U.S. Corporations often acknowledge that transforming and developing restrictive economies require a harmonized public-private partnership to create the economic environment that promotes freedom, free-markets and wealth creation within a society. "The government has to make it possible for the private sector to build telecommunications infrastructure," Schmidt said. "If we do that right, within a few years the most profitable businesses within Burma will be the telecommunications companies."⁹

American companies through the support of USAID are leveraging their 'soft power' of training support and educational opportunities to make inroads into the Burmese society. Cisco established two Networking Academies an industry best practice focused on teaching tech skills to the Burmese population. The Networking Academy utilizes a public-private partnership template to establish the "world's largest classroom partnering with educational institutions, non-profits, governments, and other international and local

¹ Prashanth Parameswaran, "U.S. Policy on Myanmar Under Fire as Promise of Reform Dims," *World Politics Review*, October 7, 2014, <http://www.worldpoliticsreview.com/articles/14148/u-s-policy-on-myanmar-under-fire-as-promise-of-reform-dims>.

² Shine Zaw-Aung, "Myanmar in 2013: The Year in Review," *New Crossroads Asia*, <http://www.newcrossroadsasia.com/research-item/myanmar-all-that-matters/free/myanmar-in-2013-the-year-in-review-hardcover/>, 10.

³ U.S. Department of State, "U.S. Companies in Burma: Doing Business Responsibly."

⁴ Shine Zaw-Aung, "Myanmar in 2013: The Year in Review," *New Crossroads Asia*,

⁵ Dara Kerr, "Cisco to open tech training academies in Myanmar," March 7, 2013, <http://www.cnet.com/news/cisco-to-open-tech-training-academies-in-myanmar/>

⁶ Paul Eckert, "USAID optimistic on Myanmar work, but firm on terms," March 8, 2013, <http://www.reuters.com/article/2013/03/08/us-usa-myanmar-usaid-idUSBRE92704120130308>

⁷ Ibid

⁸ Mizzima News, "Google boss calls for free speech in Myanmar," March 22, 2013, <http://archive-1.mizzima.com/business/investment/9106-google-boss-calls-for-free-speech-in-myanmar>

⁹ Erika Kinetz, "Google exec urges Myanmar to embrace free speech," Associated Press, <http://bigstory.ap.org/article/googles-schmidt-urges-myanmar-embrace-free-speech>

agencies.”¹ These Cisco sponsored programs will produce Burmese citizens who can critically think, problem-solve and collaborate on projects, all vital skills that will contribute immensely to the liberalization of society. Cisco recognizes the necessity of close coordination with the Burmese government and private and public organizations to build a “Smart and Connected Myanmar.”²

The American Chamber of Commerce in Myanmar (AMCHAM) provides over 100 businesses a forum for identifying business opportunities in the government and private sectors. Even though AMCHAM has no affiliation with the U.S. Government its objectives are consistent with U.S. Foreign Policy aims and objectives. AMCHAM advocates open markets, private enterprise, free trade, ethical business practices and free speech.³ Even though AMCHAM has become an influential voice in championing “U.S. business in Myanmar and seeking improvements in the business climate” none of its members are from the telecommunications industry.⁴ This indicates a lack of priority the U.S. telecommunications industry has placed on Myanmar. Rather, U.S. telecommunications industry efforts are currently emphasizing Corporate Social Responsibility (CSR) projects. For example, the “Myanmar Computer Company (MCC) has formed a strategic alliance with Microsoft that will see 100,000 people trained and equipped with workforce ready IT skills over the next three years.”⁵

Conclusions

Globalization, economic integration, telecommunications growth and the desire to rapidly transform developing countries has enhanced public-private partnerships as a vehicle for advancement. The Myanmar government is supportive of the necessary reforms required to modernize its telecommunications infrastructure and provide its citizens with a higher standard of living. Governmental reform has concentrated on using international best practices to transition to a market driven economy focused on privatization, liberalization and competitiveness. The Foreign Investment Law of 2012 was a necessary reform to ensure its citizens are hired in significant numbers in skilled positions. Additionally, the 2013 Telecommunications Act re-assured investors of the government’s plan for the establishment of an independent industry sector regulator. In total, these measure are critical to maintaining and fostering an optimistic and confident business environment for continued development.

Myanmar’s selection of Ooredoo and Tenenor to expand the country’s limited mobile services network was transparent, fair and corruption-free. Both international corporations have extensive “telecommunications frontier” experience and have five-year plans to grow the mobile services penetration rate to 100%. Myanmar’s public-private partnership with Ooredoo and Tenenor will result in affordable telecommunications services to its citizens at an affordable price. Furthermore, the World Bank’s financial and regulatory guidance in the Telecommunications Sector Reform Project refined duties and responsibilities performed within the Myanmar Post and Telecommunications Agency to establish sector fairness.

The United States’ adamant philosophy on censorship and Internet Freedom has not only been directed at Myanmar, but to also set expectations and guidelines for American corporations who may be attracted to the developing market at the expense of human rights. USAID and Cisco and Google are models of how public-private partnerships can be employed in developing countries to reform policy, promote Corporate Social Responsibility, and promote economic growth. Even though U.S. telecommunications corporations foreign investment in Myanmar is underachieving its outspokenness on human rights, business ethics and Internet Freedom has set the conditions for future development and governmental reform.

Recommendations

The Burmese government is projected to pursue political liberalization, regulatory reform, public-private partnerships and engagement with the West. While the United States government has championed human rights reforms and Internet Freedom, it continues to place restrictions on U.S. corporations operating in Myanmar. This economically constricted environment has caused investor hesitation within U.S. multinational corporations that has only resulted in \$612 million in foreign investment since 2012. Following the 2015 Myanmar elections, the Specially Designated Nationals and Blocked Persons list (SDN list) should be reviewed and updated to facilitate U.S. development opportunities. Future researchers should apply Myanmar’s deft use of public-private partnerships to rapidly reform its telecommunications infrastructure to other industry sectors

¹ Supriya Addanki, “Cisco Expands Commitment to Myanmar,” April 3, 2013, <http://newsroom.cisco.com/press-release-content?type=webcontent&articleId=1166597>

² Ibid.

³ American Chamber of Commerce (AMCHAM) in Myanmar web site:

<http://www.amchamthailand.com/acct/asp/cmtdetails.asp?MenuCatID=8&CmteID=148&MenuItemID=3&SponsorID=1108>

⁴ Ibid.

⁵ U.S. Department of State, “U.S. Companies in Burma: Doing Business Responsibly,”

that presently lack the necessary entrepreneurial and public-policy solutions that contribute to socioeconomic development. The U.S. Embassy in Yangon and Ambassador Derek Mitchell should continue to work and increase the membership and vitality of AMCHAM and ensure it represents all sectors of development.

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Biodata

Colonel Douglas A. LeVien was born in Brooklyn, New York on June 6th, 1972. He earned a Bachelor of Arts in political science from La Salle University in Philadelphia, Pennsylvania in the United States of America and a Masters of Arts in international relations from Webster University in Saint Louis, Missouri. From 2013 to 2014, he was a Massachusetts Institute of Technology (MIT) Seminar XXI Fellow in foreign politics, international relations and the National Interest. Colonel LeVien is currently attending the Naval War College in Newport, Rhode Island.

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