



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## POLICY BRIEF

### Myanmar's Transition: Cosmetic shift or Substantive change?

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**Delhi Policy Group**

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### Cover Images:

1. Myanmar outgoing Commander-in-Chief Senior General Min Aung Hlaing appointed Commander-in-Chief General Ye Win Oo during a ceremony in Naypyitaw, Myanmar, March 30, 2026. Source: [Ministry of Information of Myanmar](#)
2. President of the Republic of the Union of Myanmar, U Min Aung Hlaing delivered an address at his affirmation ceremony at the Pyidaungsu Hluttawon, on April 10, 2026. Source: [Global New Light of Myanmar](#)
3. India's Minister of State for External Affairs and Environment, Forest & Climate Change, Kirti Vardhan Singh met the new President of the Republic of the Union of Myanmar, Min Aung Hlaing, in Nay Pyi Taw, Myanmar, on April 10, 2026. Source: [X/@KVSinghMPGonda](#)

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# **Myanmar's Transition: Cosmetic shift or Substantive change?**

by

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## Myanmar's Transition: Cosmetic shift or Substantive change?

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### Introduction

Democratic governance has reasserted itself across India's neighbourhood in recent years - in Sri Lanka, Bangladesh, and Nepal - accompanied by the emergence of a relatively younger leadership. Myanmar, however, appears to be undergoing a different kind of transition. At least for now, the change seems more cosmetic than substantive.

Min Aung Hlaing (MAH) has shed his military uniform and relinquished his position as Commander-in-Chief of the armed forces, assuming the office of President of Myanmar on April 10, 2026 following a carefully choreographed, three-phase electoral process. Most members of his cabinet, as well as newly appointed regional and state chief ministers, are also retired generals or police officials.

The country has witnessed sustained internal conflict and violence over the past five years, ever since the military takeover in February 2021, led by MAH himself. The coup followed allegations of electoral fraud in elections overwhelmingly won by Daw Aung San Suu Kyi's National League for Democracy (NLD). There is little to suggest that military rule has improved conditions in the country. Estimates indicate that 30-40 per cent of Myanmar's territory remains outside government control - significantly higher than in 2020. Ethnic armed organisations continue to dominate large parts of Rakhine, Chin, Kachin, Karen and Shan states, while People's Defence Forces (PDFs) aligned with the National Unity Government (NUG) retain influence elsewhere.

Economically, the picture is equally stark. Despite its resource wealth, Myanmar's per capita GDP declined from USD 1,490 in 2020 to USD 1,359 in 2024. Most economic indicators have deteriorated, even as comparable least-developed countries such as Cambodia and Laos have progressed. Foreign trade has also contracted significantly.

Myanmar has experienced a similar quasi-transition before. In 2011, Senior General Than Shwe transferred power to President Thein Sein, another former general, through a managed electoral process. However, the outcomes were markedly different. Within two years, Thein Sein initiated political opening and economic reforms. Daw Aung San Suu Kyi was released from house arrest, and the NLD entered the political process through by-elections in April 2012. The period saw the return of expatriates, progress in peace dialogues with ethnic groups, and the signing of a nationwide ceasefire agreement in 2015. Western sanctions were eased, diplomatic engagement expanded, and even U.S. President Barack Obama visited Myanmar twice.

A key question today is whether MAH can create a “Thein Sein 2.0” roadmap. At first glance, this appears unlikely. Over the past five years, despite holding centralised power, MAH has made little progress toward domestic reconciliation. Even ASEAN’s Five-Point Consensus - particularly its call for inclusive dialogue - was largely rebuffed. It is, therefore, unclear why a substantive shift should occur now, especially if the current transition is largely cosmetic.

At the same time, one could argue that the context has changed. Having secured the presidency, long perceived as his objective, MAH may now feel more confident in pursuing bolder initiatives. If he seeks to consolidate authority and shape a positive legacy, a shift in approach may be necessary. He may also recognise the need to bring in technocratic expertise for economic revival, as Thein Sein did. Crucially, attracting investment will require stability, predictability, and internal peace.

Against this backdrop, it is worth examining potential steps that could signal a genuine shift, even if uncertainty remains high as of now, and there are questions that any move at all will be made in that direction.

### **Internal Peace and Stability**

Restoring internal peace must be the government’s foremost priority. The unconditional release of political prisoners - including Daw Aung San Suu Kyi and former President U Win Myint - would be an important confidence-building measure. Gradual reopening of the media space could further improve the political climate.

Reasserting territorial control presents a more complex challenge. Recent airstrikes against suspected rebel positions, including in the Bamar-majority regions of Sagaing and Magwe, suggest a continued reliance on coercive methods. Such an approach is unlikely to yield durable peace. A more sustainable path would involve offering political stakeholders, including ethnic armed groups, a meaningful role in the political process.

The recent elections themselves highlight the limits of state control. Polling could not be conducted in several constituencies, leaving 67 seats in the lower house and 11 in the upper house vacant. Additional vacancies will arise from elected members assuming cabinet or other executive roles, since Myanmar's 2008 constitution prescribes a strict separation of powers. These openings could provide an opportunity for broader political participation through by-elections.

As part of a political outreach strategy, the government could consider re-registering previously excluded parties and encouraging participation by groups that boycotted elections or were dissolved, including the NLD.

Reviving dialogue with ethnic armed organisations will also be essential. China's role in facilitating temporary stabilisation in parts of northern Shan State underscores both the fragility of the situation and Myanmar's external dependencies. While a mix of incentives and pressure may be employed, an over reliance on military solutions is unlikely to produce lasting stability.

The challenges, however, are formidable. Opposition groups - buoyed by territorial gains - continue to push for a genuinely federal democratic system that excludes military dominance. The formation of new coalitions, such as the Steering Council for the Emergence of a Federal Democratic Union (SCEF) set up last month comprising the Kachin, Karen, Chin and Karenni groups along with the NUG to continue their struggle for democratic reform, reflects this momentum. Groups like the Arakan Army and some of the EAOs in North East Myanmar, which have tasted territorial successes, are unlikely to yield or compromise without significant concessions.

### **Economic Revival: An Urgent Imperative**

Reviving economic growth must be another central priority. Myanmar has been hit by successive natural disasters in recent years, including Cyclone Mocha (2023), Typhoon Yagi (2024), and a major earthquake in March 2025. According

to recent assessments, the economy faces severe constraints: limited reconstruction financing, ongoing conflict, and unreliable electricity supply. GDP is projected to contract further by 2% in the fiscal year 2025-26.

Some immediate priorities are evident: restoring power supply, reviving the garment export sector, and rebuilding tourism. A recent World Bank report suggests that since the agri-food industry contributes 27 % of gross value added and 22% of employment within the manufacturing sector, strengthening agri-food value chains will be important. This has also been a key export sector comprising rice, lentils, fresh fruits and fishery items.

Myanmar's potential in critical minerals offers a longer-term opportunity. The country possesses significant reserves of rare earth elements such as dysprosium and terbium, essential for clean energy technologies. However, many of these resources lie in conflict-affected regions, particularly the Kachin State, complicating their development.

### **External Relations: Balancing Constraints and Opportunities**

The attendance at MAH's inauguration - featuring delegations from countries such as Belarus, Cambodia, China, India, Laos, Nicaragua, Russian Federation, Thailand and Vietnam - reflects Myanmar's current diplomatic alignment. Notably absent was ASEAN as a collective body, which has declined to recognise the recent elections.

Re-engagement with ASEAN will require tangible progress on internal reconciliation. Without this, Myanmar's continued exclusion from high-level ASEAN forums is likely to persist. Countries such as Thailand and Vietnam, which have taken a more supportive stance on the elections, as against ASEAN itself, may play a bridging role, but the impetus must come from Nay Pyi Taw.

Myanmar's growing proximity to Russia, particularly in defence cooperation, and its deepening dependence on China, especially in conflict mediation and infrastructure, may shape its external posture under MAH. However, greater political and economic openness could diversify partnerships, potentially expanding engagement with countries such as Japan, Singapore, and South Korea, at least to begin with.

## India's Engagement

India has consistently advocated for inclusive and credible elections, while supporting a Myanmar-led peace process. Its current approach appears pragmatic: engaging the new dispensation without explicitly endorsing the electoral process.

India's Minister of State for External Affairs Kirti Vardhan Singh attended the inauguration of MAH on April 10, and conveyed a message from Prime Minister Narendra Modi. Bilateral discussions reportedly focused on promotion of trade and investment, including facilitation of local currency settlement, implementation of ongoing cooperation projects, and efforts for stability and development in border regions, as well as enhancement of cross-border trade.

While there is significant potential for cooperation - including long-pending connectivity projects - progress will depend heavily on improvements in the security situation, particularly in border regions such as Rakhine, Chin, and Sagaing. In the interim, India's interest may lie in keeping up official ties with Nay Pyi Taw while at the same time maintaining appropriate levels of engagement with these ethnic armed groups to ensure peace on our own side of the border.

## Conclusion

Myanmar today is in a far more difficult position - politically, economically, and diplomatically - than it was at the time of the February 2021 military coup. The recent transition raises a fundamental question: does it represent merely a civilian façade over continued military dominance, or the beginning of a genuine shift toward peace, reconciliation, and development?

India, along with other regional stakeholders, has an interest in encouraging the latter trajectory and nudging Nay Pyi Taw in that direction. Ultimately, however, any sustainable transition must be locally driven. The stakes are high, not only for Myanmar's people, but for the broader region.

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