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## *The Moment*

Change is in the air, although it may reflect hope more than reality.

The political landscape of Myanmar has been all but frozen since 1990, when the nationwide election was won by the National League for Democracy (NLD) led by Aung San Suu Kyi. The country's military regime, the State Law and Order Restoration Council (SLORC), lost no time in repudiating the election results and brutally repressing all forms of political dissent.

Internally, the next twenty years were marked by a carefully managed partial liberalization of the economy, a windfall of foreign exchange from natural gas exports to Thailand, ceasefire agreements with more than a dozen armed ethnic minorities scattered along the country's borders with Thailand, China, and India, and one of the world's longest constitutional conventions. Externally, these twenty years saw Myanmar's membership in the Association of Southeast Asian Nations (ASEAN), several forms of engagement by its ASEAN partners and other Asian neighbors designed to bring about an end to the internal conflict and put the economy on a high-growth path, escalating sanctions by the United States and Europe to protest the military regime's well-documented human rights abuses and repressive governance, and the rise of China as a global power.

At the beginning of 2008, the landscape began to thaw when Myanmar's ruling generals, now calling themselves the State Peace and Development Council (SPDC), announced a referendum to be held in May on a new constitution, with elections to follow in 2010. This process of transition to a new government provided the impetus for the workshop in Washington at the end of October 2009, Myanmar/Burma: Outside Interests, Inside Challenges, on which this book is based. The moment was especially ripe because the United States had just a month earlier unveiled a new policy of pragmatic engagement

toward Myanmar, and the U.S. assistant secretary of state for East Asian and Pacific affairs, Kurt Campbell, was preparing to visit Myanmar, as the most senior administration official to visit the country in fourteen years.

While the political calendars in Myanmar and the United States alone made the timing of the October workshop propitious, six other developments that generated newspaper headlines in the preceding months contributed to the significance of the moment. To begin with, ASEAN's ten member countries adopted the group's first charter at the end of 2008.<sup>1</sup> Myanmar—supported at times by other member countries with authoritarian regimes—was the major obstacle to including a number of progressive provisions of the charter, notably the establishment of a human rights body. This is a good example of the challenge Myanmar poses for the ASEAN goal of building “one caring and sharing” community by 2015 that places “the well-being, livelihood and welfare of the peoples at the center of the ASEAN community building process.”<sup>2</sup>

Second, events in Thailand and Indonesia hampered ASEAN's ability to deal effectively with the problem of Myanmar. Thailand chaired ASEAN from mid-2008 to the end of 2009, but the Thai government was preoccupied with a domestic political crisis during this entire period. Indonesia had, in effect, the opposite problem. After completing a five-year term, President Susilo Bambang Yudhoyono was reelected to a second term in mid-2009 with 61 percent of the vote. The heady experience of being perceived globally as a poster child for democracy increased domestic pressure on the Indonesian government to take a hard-line position on Myanmar.

Third, in December 2008 press reports surfaced about a couple of boatloads of Rohingya refugees fleeing Myanmar that had been intercepted by the Royal Thai Navy, which subsequently towed the boats back to sea and left the almost thousand occupants to their fate. While many drowned, several substantial groups were rescued and brought to India and Indonesia.<sup>3</sup> Although they are inhabitants of Myanmar, the Rohingya community, which follows the Muslim faith, is considered stateless by the government and is subject to some of the worst human rights abuses.

Fourth, a North Korean ship bound for Burma in June 2009 turned back after reports that it might be carrying nuclear materials and therefore in violation of the recently enacted UN Security Council Resolution 1874 to enforce the Nuclear Non-Proliferation Treaty. It appears that Myanmar's military regime withdrew permission to enter Myanmar ports in response to appeals from a number of important UN members.

Fifth, Myanmar's army—the Tatmadaw—launched an operation against the Kokang ethnic minority on Myanmar's northeastern border with China

in August 2009. The operation generated an influx of as many as 30,000 refugees into Yunnan province. The Kokang have historic ties with China, and the Chinese government expressed immediate and strong objections to the military operation.

Sixth, competition between China and India intensified in the context of efforts to purchase natural gas from a new offshore field close to Myanmar's border with Bangladesh. In December 2008 the SPDC awarded the off-take contract to China National Petroleum Corporation, which will build a pipeline across Myanmar to Yunnan province. A parallel pipeline to carry crude oil from the Middle East and Africa will also be built.

The chapters in this volume, developed from papers presented at the workshop, help to shed light on the major inside challenges and outside interests that are likely to shape Myanmar's future beyond the political transition that is now under way. A special effort has been made to bring an Asian perspective to the topic. The overview chapter seeks to place the discussion in a broad historical and policy context and explain why positive change seems possible after two decades of lost opportunities.

## **Inside Challenges**

The range of internal challenges in Myanmar is vast. Indeed, it is hard to find any broad aspect of Myanmar society that is functioning well. Even the military is far from being a well-oiled machine.

The October 2009 workshop focused on two internal challenges: national reconciliation and economic development. Each of these in turn is a complex topic impossible to capture in a couple of papers or two hours of discussion.

On the topic of national reconciliation, two Burmese scholars take quite distinct approaches in part 1 of this volume. On the topic of the economy, a Harvard University economist focuses narrowly on the rural economy, and a Swedish scholar focuses on the rapidly growing commercial activity around the principal border crossing between China and Myanmar. The examination of inside challenges concludes with an analysis by an observer in Singapore of three possible political scenarios for Myanmar following the 2010 election.

### *National Reconciliation*

Kyaw Yin Hlaing presents a factual and balanced view of national reconciliation in chapter 2. He characterizes the approach taken by the three main protagonists—the Tatmadaw, the NLD, and the ethnic minorities—as a zero-sum strategy. All three are focused on outcomes that validate their respective goals instead of on a process that would lead to peace and

progress. He concludes that to achieve national reconciliation the military regime will have to give priority to solving the problems that create opposition rather than trying to extend and strengthen its grip on the country. He also notes the view of many Myanmar people that national reconciliation is not possible under military rule but would occur naturally in a democratic system. The deepening divisions that have emerged in the democratic system in neighboring Thailand, however, call this view into question.

Maung Zarni views the situation with a personal and rather more pessimistic eye in chapter 3. Like Kyaw Yin Hlaing he argues that the Tatmadaw is preoccupied with consolidating its hegemony over the country and has no interest in national reconciliation. He describes his own reconciliation initiative in 2003–04, with tacit support from Aung San Suu Kyi and the U.S. government among others, directed at the Tatmadaw's intelligence apparatus led by General Khin Nyunt. The initiative ended when this group of pragmatists was purged by hard-liners in the Tatmadaw, but other opposition leaders who felt upstaged had already undermined the initiative. The experience reveals, according to Maung Zarni, that personalities are at the heart of politics in Myanmar—a point that surely merits repeating.

Not surprisingly in a country where conflict has raged for so long, these two approaches represent small segments of the broad spectrum of opinion. While outside observers overwhelmingly blame the military regime for the continuing conflict, within Burma one finds arguments from thoughtful people that place as much blame on how the NLD followed up on its election victory in 1990, or the rent-seeking behavior of the ethnic minorities, or the meddling of China and Thailand. Maung Zarni also points to globalization as a factor, describing the SPDC as a proxy for the foreign corporations that are exploiting Myanmar's natural resources.

Myanmar has the distinction of having the world's longest continuing civil war. It began before 1948, when the country gained its independence. The end is not yet in sight. The problem at the heart of the civil war today is ethnicity, boiled and concentrated within the arbitrary borders of Myanmar, which in truth has never functioned as one united country. As Maung Zarni points out, however, the critical struggle in the period immediately following independence was within the Burman elite—between communists and socialists.

The Burman (or Bamar) linguistic group may constitute as much as 70 percent of the country's population of more than 50 million people, but both of these data points are disputed. Estimates of the total population of Myanmar range from as low as 47 million to as high as 58 million. Estimates

of the Burman majority are even more divergent, and some observers claim that ethnic Burmans, narrowly defined, now represent only 40 percent of the population. Much intermarriage among linguistic groups and physical displacement has taken place over the past thirty years, making ethnic distinctions increasingly blurry.

The Burmans mostly adhere to the Buddhist faith and occupy the lowland center of the country defined by the Ayeyarwady River. The remaining population is divided among six major ethnic-linguistic groups (Rakhine-Arakanese, Chin, Kachin, Karen, Mon, and Shan), a dozen smaller groups, and more than a hundred other officially recognized linguistic communities. The ethnic-linguistic minorities live primarily in the mountainous regions along the borders with Bangladesh, India, China, Laos, and Thailand, and some of the most prominent groups adhere to the Christian faith. In addition, three large nonnative groups of Bangladeshis (Muslim), Chinese (Confucian), and Indians (Hindu) together include at least 1.5 million people.

The first chance to achieve national reconciliation came a few months after independence, when General Aung San (the father of Aung San Suu Kyi), who had emerged as the leader of pro-independence forces, presided over two conferences in Panglong in 1946 and 1947 that hammered out a political framework for the new nation. Significantly, the framework included an option for two of the minority regions to secede if they were dissatisfied with the performance of the union. In July 1947, five months after the second Panglong Conference, Aung San was assassinated along with some of his cabinet ministers, plunging the country into a political crisis with far-reaching adverse consequences that have yet to be rectified. Independence was formally granted by Britain in January 1948 under the 1947 constitution, which provided for a multiparty parliamentary government. Ethnic and ideological differences precluded any economic take-off during the period of democratic rule, which was brought to an end by a military coup in 1962. The ideological differences centered on a communist movement supported by the Communist Party of China. Religious differences were exacerbated in 1961 when a law was passed by Prime Minister U Nu's government making Buddhism the state religion.<sup>4</sup>

Armed insurgencies grew in the 1962–88 period as the socialist and isolationist policies of General Ne Win proved to be as much of an economic disaster as the disorder of the parliamentary era. American funding went to remnants of the anticommunist Kuomintang forces that had escaped from China into Burma. Unsubstantiated reports suggested that British funding was going to the Karen and other Christian minorities, and Middle Eastern

funding to Muslim minorities. Thailand—Burma's historic enemy—armed a variety of dissident ethnic groups along the lengthy Thai-Burma border.

General Ne Win's main initiative to achieve national reconciliation, albeit on the military's terms, was the promulgation of a new constitution. Drafted over a period of two years in a relatively open process, the 1974 constitution established a unitary socialist state with a single legislative body and a single state-sponsored party. One effect of the new constitution was to motivate the ethnic minorities to look increasingly for support outside the country. In another step that became an impediment to national reconciliation, the monks (the *sangha*) were put under government control through the creation of a Supreme Sangha Council.

One of the ironies of Myanmar history, hinted at by Maung Zarni, is that the Tatmadaw prevailed in its struggle with the Communist Party of Burma in 1989 in large part because the People's Republic of China stopped supporting its Burmese brothers. Yet barely a year later the Tatmadaw managed to create a more formidable opponent in the NLD and its leader, Aung San Suu Kyi.

A people's revolution in 1988 pushed General Ne Win aside, and a new junta of military leaders—the State Law and Order Restoration Council—came to power. The SLORC's approach to national reconciliation proceeded on two related tracks: constitutional legitimacy and ceasefire agreements with the armed ethnic minorities.

Even before the palace coup on September 18, 1988, in the face of the popular uprising, military leaders were publicly committing to holding a multiparty election. However, the Tatmadaw presumably viewed the election more as a step to restore order than a transition to a democratic system or a way of achieving national reconciliation. As Kyaw Yin Hlaing points out, the SLORC explained before and after the election that the elected body would be not a new parliament but an assembly called to produce a new constitution, which would then have to be approved in a referendum and would subsequently serve as the basis for an election to form a new government. However, other observers do not accept this view and have argued that the voters expected the election to lead directly to a new government led by the winning party.

Within days of the coup, a party registration law was issued, and the election took place twenty months later on May 27, 1990. Ninety-three political parties and eighty-seven independents vied for 479 seats. The NLD, led by Aung San Suu Kyi, received 60 percent of the votes and won 80 percent of the seats.<sup>5</sup> The party understood to be favored by the Tatmadaw received 25

percent of the vote but won only ten seats. A standoff quickly ensued. The SLORC refused to certify the election results, and the NLD insisted it had the right to govern the country.

The 1990 election in Myanmar must rank as one of the modern world's biggest political miscalculations. After repudiating the NLD's election victory, the military was compelled by its earlier commitment to the goal of an elected government to initiate the process of adopting a new constitution as the basis for multiparty elections in the future. Myanmar may hold the record for prolonging this process. The National Convention tasked with producing a constitution opened in January 1993 and was not concluded until September 2007.

The opening of the National Convention created a dilemma for the NLD. It participated at the beginning but walked out after two years, when it became clear that the SLORC was unwilling to take any significant steps in the direction of transferring or even sharing power. Ethnic minority members and other nongovernment members of the National Convention had little perceptible influence over the result but stayed for various reasons.<sup>6</sup> The National Convention was finally concluded, in the midst of the Saffron Revolt, when the military was under extreme internal and external pressure to reconcile with its opponents.<sup>7</sup> The output of the National Convention was a set of detailed principles, and the SPDC quickly appointed a committee to draft the new constitution based on these principles.

In February 2008 the SPDC announced that the referendum on the new constitution would be held on May 10, to be followed by a national election in 2010. Cyclone Nargis struck Myanmar just a week before the referendum. It was the worst natural disaster in Myanmar's recorded history, creating more than 130,000 victims (killed and missing). The SPDC insisted on holding the referendum despite the disaster, granting only a two-week postponement for the residents of the most severely impacted townships. The results were announced so quickly and so precisely that they only reinforced cynicism about the process: 98.12 percent of the eligible voters participated in the referendum, and 92.48 percent of them approved the new constitution.

The 2008 constitution has generated a sharp debate between those who see it as falling short of the minimal requirements of democratic rule and others who find many more democratic elements than would be expected from a military regime intent on perpetuating its rule. The 2008 constitution creates a classic executive-legislative-judicial structure, a bicameral legislature, and a system of regional assemblies. It provides for relatively open, multiparty elections and spells out basic human rights and protections. At the same

time it clearly gives the armed forces the power to govern at will, including by giving the commander of the armed forces the power to appoint a quarter of the members of each of the legislative bodies.

Since the beginning of 2010, the drums have beaten loudly inside and outside Myanmar for free and fair elections, as promised in the SPDC's seven-step roadmap to democracy. The set of five election laws that finally emerged in mid-March 2010 were predictable in being stacked against the NLD and making few concessions to the ethnic minorities and other dissident groups.<sup>8</sup> However, they went further in this direction than many expected. The party registration law prompted the NLD to give up its legal status and not compete in the election. Democratic governments and institutions around the world quickly issued expressions of deep disappointment.

As this book was going to press in mid-2010, the date for the election was announced by the National Election Commission: November 7. By the beginning of August, forty political parties had been approved by the commission to compete in the November election, but popular sentiment toward the election was mixed at best. Some Myanmar residents were dreaming of another antimilitary landslide on the scale of the 1990 election, but it is hard to believe that the military regime would allow this embarrassment to be repeated. Some were hoping for a massive boycott, draining legitimacy from the results. Others were imagining that the newly elected representatives would begin adopting policies that could lead to genuine reconciliation and more broadly based economic development over time. Any number of small sparks could tilt the outcome in one direction or another.

Constitutional legitimacy was one approach adopted by the SLORC-SPDC to consolidate its rule over the country. Another approach, which seems to have been more successful, was to negotiate ceasefire arrangements with the armed opposition.

The SPDC leader responsible for negotiating the ceasefire agreements was General Khin Nyunt, the head of military intelligence. By 1997 he had concluded seventeen agreements.<sup>9</sup> Most of the agreements were verbal, and the terms varied considerably. Enforcement varied even more, but generally the ceasefire groups were allowed to keep their arms, the central government provided some budget resources, and certain economic concessions (to exploit natural resources) were extended. In 2004 Khin Nyunt was stripped of his responsibilities, convicted of corruption, and placed under house arrest. The SPDC, however, by and large continued to respect the ceasefire agreements, and the ceasefire groups became progressively weaker. By the end of 2009 only a handful were in a position to challenge the Tatmadaw militarily.



In early 2009 the central government announced a plan for transforming the military units of the ceasefire groups into a border guard force under the effective command of the Tatmadaw, pointing out that the ceasefire agreements would have no validity after the 2010 election, when the ceasefire groups would have elected representatives in the national and regional assemblies. Resistance to this plan was so strong, however, that the SPDC signaled its intention in May 2010 to postpone implementation until after the election.

As both Kyaw Yin Hlaing and Maung Zarni stress, the conflict between the military-led central government and the ethnic minorities seems no closer to being resolved now than in 1948. One example of how deeply rooted antagonisms can flare up and become serious obstacles to political stability and economic development in the years ahead is the recent anger in Kachin state over the construction of a dam by Chinese companies at the confluence of two major rivers. A company office was bombed in mid-April 2010, killing several Chinese workers.<sup>10</sup>

The intractable problem of national reconciliation is neatly captured by Maung Zarni in a separate piece he wrote just before the October 2009 workshop: “Tragically, in the 62 years since independence the country has become a ‘double-colony’ along ethnic and class lines, this time under the native militarists.”<sup>11</sup>

### *Economic Development*

For most of the world, the tragedy of Myanmar is primarily political. For the more than 50 million people who live within its borders, a case can be made that the larger tragedy is economic.

When Burma gained its independence after World War II, it was widely expected to be one of Asia’s strongest economic performers. In the years before the war, it had been the world’s largest exporter of rice, its natural resource endowment was superb, its population included a well-educated and worldly elite, and the institutional framework built during the colonial period provided a strong foundation for market-led growth. Sixty years later, Myanmar has the lowest per capita income in Asia and ranks among the poorest nations in the world.

To some extent, Myanmar’s poor economic performance can be attributed simply to its slow growth relative to the Southeast Asian “tigers” (Indonesia, Malaysia, Thailand, and others). Myanmar’s economy grew at a rate of 5.3 percent a year during the period of parliamentary democracy from 1948 to 1962 but only at 3.5 percent a year during the socialist period from 1962 to

1988.<sup>12</sup> The move toward a market economy after 1988 seems to have yielded an improvement in economic growth in aggregate terms, but official figures for GDP and many other economic variables are not reliable. There is little doubt, however, about the strengthening of Myanmar's balance of payments since sales of natural gas to Thailand began in 2000.

The economic progress of the past twenty years has largely accrued to the military regime and its business partners. The standard of living for the average citizen of Myanmar remains very low by global standards, the skill level of the labor force has declined owing to a broken education system and the exodus of young and ambitious people who see no future at home, and the institutional framework inherited from the British has hardly more substance than whitewash on a tropical wall.

The obvious explanation for Myanmar's underperforming economy is the political conflict that has plagued the country for sixty years. Underlying this conflict, however, are the classic signs of a resource curse. Far from being a blessing, the abundance of natural resources has fed the conflict and sustained the military regime.

The economy of Myanmar today can be largely captured in a three-sector model: the rice sector in the Burman heartland of the country, the offshore oil and gas sector, and the timber sector in the mountainous border regions inhabited by the ethnic minorities. Three other features of the Myanmar economy merit special attention: China's role, narcotics, and infrastructure.

The biggest rice bowls of Asia are the Ayeyarwady Delta in Myanmar, the Chao Phraya Delta in Thailand, and the Mekong Delta in Vietnam. All have had their ups and downs. While Myanmar was the world's number-one rice exporter before World War II, the top two today are Thailand and Vietnam, where per capita production and per hectare yields have been increasing steadily. By contrast, per capita production and per hectare yields in Myanmar have been declining for a decade, and exports have been well below the country's historical highs.<sup>13</sup>

In chapter 4, David Dapice paints a grim picture of the rural sector at the beginning of 2009. In a nutshell, the government's neglect of the rice economy resulted in a severe shortage of credit to purchase hybrid varieties of rice and the fertilizer farmers require to achieve high yields. Underinvestment in milling and transportation infrastructure made exporting unattractive, and even malnutrition could be having an adverse impact on rice production. Pulses and other cash crops that had been doing well were experiencing collapsing prices, largely owing to a failed attempt by traders in Yangon to corner the export market.

Turning to the oil and gas sector, two gas fields off the coast of peninsular Myanmar came onstream in 1998 and 2000.<sup>14</sup> The gas they produce is sold primarily to Thailand, where it provides for as much as 40 percent of that country's electricity production. These sales make natural gas Myanmar's largest export. The foreign exchange earned from these sales has boosted the country's hard-currency reserves to a comfortable level, exceeding six months of total merchandise imports.

New and even larger offshore gas fields not far from the border with Bangladesh are now being developed. Myanmar has agreed to sell the gas from these fields to China, and construction of a pipeline to carry the gas to Yunnan province began in 2009. A parallel oil pipeline will deliver oil from the Middle East and Africa. The foreign exchange earned from natural gas sales to China and Thailand in the coming years appears sufficient to maintain the military regime in power indefinitely.

Myanmar's timber resources are found in the mountainous regions inhabited by ethnic minorities along its borders with India, China, and Thailand. Teak and other tropical hardwoods have been harvested in a destructive and unsustainable fashion since the end of Myanmar's socialist and isolationist period in 1988. Much of the exploitation carried out by state-owned or state-controlled companies is legal: licensed, documented, and recorded in Myanmar's trade statistics. These statistics show that the major export destinations are China and India. The amount of timber harvested and exported illegally varies from year to year and is believed to exceed the amount exported legally at times. Much of the value that could accrue to the people of Myanmar through royalties and taxes in a transparent system is going to dealers working with ethnic minority leaders, regional military commanders, and other interested parties.<sup>15</sup>

China has important historical links to Myanmar going back centuries. During the British colonial era, immigration from China (mainly from its coastal provinces) and India was encouraged. After Burmese independence in 1948, two factors turned sentiment against the Chinese.<sup>16</sup> First, as Ne Win extended socialist control over the economy in the 1960s, the commercially successful Chinese business community was targeted in a series of violent riots. Second, the People's Republic of China began supporting the Communist Party of Burma in its armed opposition to Myanmar's elected government.

After the SLORC came to power in 1988, relations between Myanmar and China steadily improved. Toward the end of the 1990s, reports began surfacing of substantial flows of undocumented immigrants from Yunnan province into northern Myanmar, and trade with China began expanding

rapidly. Today, Chinese companies are undertaking construction projects throughout the country. The extent of this activity has prompted some analysts to claim that Myanmar is becoming a colony of China. Other analysts, however, have stressed China's displeasure with the SPDC's abysmal record of governance, the SPDC's firm intention to resist Chinese hegemony, and the historic record of anti-Chinese sentiment in the Myanmar population.

In chapter 5, Xiaolin Guo examines one aspect of the growing Chinese presence in Myanmar: the boom in trade along the old Burma Road between Mandalay, in the heart of Myanmar, and Kunming, the capital of Yunnan province. She describes the flow as largely driven by small-scale private sector activity. She notes that it has the potential of creating a backlash, as indigenous Myanmar people are alienated from the land or overwhelmed by Chinese competitors. She also notes that the Yunnan authorities have their sights set on linking China to India through Myanmar along the southern Silk Road.

Before Myanmar began exporting natural gas to Thailand in 2000, narcotics produced inside the country and smuggled out were believed to be the country's largest foreign exchange earner. An antinarcotics campaign by the SPDC in the 1980s and 1990s was effective in reducing the production of heroin, but the production of methamphetamines grew rapidly and now dominates the trade. It is difficult to estimate the value of Myanmar's narcotics exports today, but it is likely to be in the hundreds of millions of dollars. While the SPDC does not appear to be directly involved in the narcotics business, it must be assumed that individuals in authority, such as local military commanders, benefit from taxing or protecting the narcotics trade. A number of the ethnic minority groups are also known to be involved in the business. The expenditure of drug money is visible in some of the main production areas (for example, Shan state) in the form of high-quality roads and other infrastructure and in urban centers (for example, Mandalay) in the form of luxury homes and office buildings.

The infrastructure picture in Myanmar points in two directions. On the one hand, the SPDC prides itself on investing heavily in infrastructure, especially roads, dams, and the new capital of Naypyidaw. The roads and dams have some economic benefit but would have more if they were designed with an eye to these benefits rather than to political or security interests. The worst part of the picture is how little of Myanmar's natural gas is used domestically to fuel electric power, as the supply of electricity falls far short of demand across almost the entire country.

Myanmar's macroeconomic policies can be summed up in a few sentences. Fiscal policy is seriously distorted by booking hard-currency revenues

from gas exports at an official rate that is orders of magnitude below the market exchange rate. Other revenues are not sufficient to cover budgeted expenditures, a large share of expenditures is allocated to the defense sector, and appallingly little goes to the education and health sectors. Inflation has been in the double-digit range, although it may have dropped into single digits in 2009. While foreign exchange reserves are at a comfortable level, the banking system is dysfunctional, and the working-age population is severely underemployed.

Chapter 6 concludes the examination of inside challenges. Michael Vatikiotis considers the implications for the Southeast Asia region of three scenarios going forward: the status quo of heavy-handed military rule, partial transition to democratic rule, and state collapse.

Counterintuitively, Vatikiotis suggests that state collapse is the scenario “most likely to bring about rapid change and transformation” in Myanmar. This result would come by way of an international rescue led by the United Nations and ASEAN with the blessing of China and India. A model for this scenario is the response to Cyclone Nargis in May 2008.

The status quo scenario, according to Vatikiotis, would be the best outcome for Thailand, China, and India, given their interest in continuing to exploit Myanmar’s natural resources. By the same token, it is the scenario most likely to hinder the regional goal of Myanmar’s becoming a contributing partner in the ASEAN community.

Vatikiotis concludes that the most likely scenario is partial transition, wherein half-hearted implementation of the 2008 constitution would provide space for gradual reform along the lines of the Suharto regime in Indonesia from 1965 to 1998. In particular, technocrats would manage macroeconomic policies, and the military’s commercial and rent-seeking activities would slowly give way to genuine private businesses. Political reform could come more quickly than it has in Vietnam because of the Myanmar elite’s anticommunist orientation. Vatikiotis recommends that the international community support such a partial transition “however flawed it may seem for now.”

## **Outside Interests**

The case of Myanmar illustrates how far the process of globalization has advanced. The range of outside interests that have a bearing on the conflict inside Myanmar is impressive. Sitting in Yangon, the ones felt most strongly are those of three great powers: China, India, and the United States. Three other parties with substantial interests are ASEAN, the United Nations, and

Japan. Less visible but equally important in certain areas are multinational corporations such as Total (France), Petronas (Malaysia), and Daewoo (South Korea). Similarly low profile and comparably influential are a range of nongovernmental organizations (NGOs). One group of NGOs focuses on politics and democracy, including the Democratic Voice of Burma and the Euro-Burma Office. Another group addresses narrower interests, including the International Crisis Group (conflict), Human Rights Watch (human rights), and Global Witness (resource extraction). Still another focuses on humanitarian intervention, including Refugees International and Save the Children. A fuller list of significant players would include the European Union, Australia, and key ASEAN partners such as Thailand, Singapore, and Indonesia.

Chapter 7 looks at the Myanmar situation from the Chinese perspective. Li Chenyang stresses China's scrupulous adherence to the principle of noninterference in the internal affairs of Myanmar, suggesting that "simply adopting the Western democratic system would cause social chaos and humanitarian disasters," a view that few non-Chinese scholars would subscribe to. At the same time, Li points out that China would like to see a "stable, democratic, reconciled, and developing Myanmar."

One of the most important points made by Li concerns the differing approaches among Chinese officials to relations with Myanmar. One example relates to the drug problem in the border regions. Some officials favor cracking down on drug trafficking in this area, and others favor a hands-off policy that enables the ethnic minorities to serve as a buffer between Myanmar and China. Another example is the overexploitation of Myanmar's natural resources by Chinese corporations and condoned by the authorities in Yunnan province, contrary to the policy of the central government.

In the area of military cooperation, Li points out that while China has sold aircraft and other heavy weaponry to Myanmar, it has not sold any rifles, machine guns, or other light weapons.<sup>17</sup> He affirms that China has no military bases in Myanmar and notes that, unlike India, it has not mounted any joint security operations with the Tatmadaw.

On national reconciliation, Li starts with the fundamental point that China does not consider the conflict in Myanmar to pose a threat to international or regional peace and security. While there is much agreement in the scholarly community that Myanmar is not threatening international security, the claim that it does not threaten regional security is harder to accept. Li goes on to put the problem of Myanmar in the context of China's relations

with the ASEAN community, indicating that China believes the problem of Myanmar “will be resolved gradually in the process of ASEAN’s integration.”

Li contrasts the steadiness of China’s policy toward Myanmar since 1988 with the reversals in India’s policy toward Myanmar. His 1988 starting point, however, conceals the struggle waged for forty years by the Tatmadaw against the Communist Party of Burma, which received support from the People’s Republic of China. Apart from other advantages cited by Li, China also enjoys a substantial geographical advantage. While Myanmar’s borders with China and India are both mountainous and difficult to traverse, India’s closest commercial center, Kolkata, is much farther away and less accessible than Kunming, in effect its rival Chinese city.

Li concludes by stressing the similarities in the approaches of China and India toward Myanmar since 2000 and suggesting that the Myanmar government will seek to maintain friendly relations with both countries in the period ahead “in order to maximize the benefits from this competition.”

In chapter 8, Gurmeet Kanwal traces the evolution of India’s relations with Myanmar since the end of World War II, when U Nu, a prominent figure in the Non-Aligned Movement and a close associate of India’s prime minister Jawaharlal Nehru, was prime minister of Myanmar. Kanwal describes the ups and downs in the bilateral relationship since then: more distant during the militarist and isolationist Ne Win regime, cautiously closer following the popular uprising in 1988 and Aung San Suu Kyi’s emergence as a democratic leader, and then actively engaged after 1993 in the context of India’s Look East policy.

Among the factors shaping India’s policy toward Myanmar, Kanwal notes, is the challenge of counterbalancing China’s growing influence, cooperating in the containment of insurgent groups in India’s northeastern states seeking independence from India or greater autonomy, enhancing security in the Indian Ocean, and gaining access to Myanmar’s natural gas and other resources. He summarizes India’s economic cooperation with Myanmar in the areas of trade, oil and gas, and infrastructure and describes in some detail the close cooperation between the two countries in the area of defense and security.

Elaborating on India’s concerns about China, Kanwal evokes China’s String of Pearls strategy of encircling India to keep it off balance and preventing its rise as a competing power in Asia. He suggests that in recent years China has made possible the expansion of the Tatmadaw from 180,000 to 450,000.<sup>18</sup> On one major policy issue in this area, Kanwal notes

the assurances from the Myanmar government to the Indian government that it has not leased any military bases to China, but he treats these assurances with some skepticism. On another major policy issue, Kanwal suggests that China has encouraged North Korea to provide nuclear technology to Myanmar and stresses India's position that the international community must adopt all measures necessary to stop another Asian country from acquiring nuclear weapons.

Kanwal concludes by noting that India's current policy toward Myanmar reflects a realization "that a foreign policy based solely on occupying the moral high ground on every international issue . . . is not a sustainable one now and that economic and strategic objectives must sometimes override other objectives."

In chapter 9, Termsak Chalermpanupap offers the perspective of the ASEAN Secretariat on Myanmar's participation in the ASEAN community. He stresses the positive role ASEAN has played in encouraging greater openness in Myanmar, especially in connection with the international response to the devastation of Cyclone Nargis in May 2008. He begins by noting that Myanmar had the option of joining ASEAN when it was founded in 1968, but General Ne Win decided to stay out to avoid compromising the neutrality policy adopted by his predecessors and reinforced by their prominent role in the Non-Aligned Movement. Given the cold-war struggle under way at the time, including America's deep involvement in Vietnam, this reason is plausible, but the Ne Win regime was both anti-Chinese and anticommunist. Therefore Ne Win's isolationist policy would seem to be a more important reason.

Termsak describes the steps taken by the government of Myanmar in the mid-1990s to join ASEAN, but he provides little context for this important step. One common view is that the main driver was Malaysia's prime minister Mahathir Mohamad, who wanted to claim credit for "completing" ASEAN by bringing in Cambodia, Laos, Myanmar, and Vietnam. A noteworthy precursor mentioned by Termsak is the participation of Myanmar's ruling general, Than Shwe, in signing the ASEAN treaty on the Southeast Asia Nuclear Weapon-Free Zone in December 1995 in Bangkok.

Termsak notes the progression in ASEAN policy from "constructive intervention," proposed by the Malaysian deputy prime minister Anwar Ibrahim in 1997, to "flexible engagement" proposed by Thai foreign minister (and now ASEAN secretary-general) Surin Pitsuwan in 1998, to "enhanced interaction" proposed by Indonesian foreign minister Ali Alatas shortly thereafter.



Termsak spells out the steps leading up to ASEAN's ambitious plan to achieve a more integrated ASEAN community by 2015, in particular by adopting the ASEAN Charter that went into force in December 2008. He highlights two new principles in the charter relevant to ASEAN's approach to Myanmar: "collective responsibility in enhancing regional peace, security, and prosperity" and "enhanced consultations on matters seriously affecting" the region's common interest.

At the end of his chapter, Termsak lists the main features of ASEAN's engagement with Myanmar in recent years. He concludes by noting that ASEAN's paramount value is "keeping every member state inside the ASEAN fold happily cooperating with all other member states in the process of community building."

Termsak's account raises a number of questions about ASEAN's approach to relations with its most problematic member. One episode of note: During the intense debate on the drafting of the ASEAN Charter over provisions establishing a human rights body for the region, Myanmar raised the strongest objections, although other countries shared some of them.

In chapter 10, Pavin Chachavalpongpun presents a skeptic's view of the ASEAN role in Myanmar. He stresses ASEAN's tendency to react to policy changes elsewhere rather than exerting leadership on regional issues and argues that ASEAN is being marginalized by the new U.S. policy toward Myanmar. He asserts that none of the approaches to Myanmar adopted by ASEAN has been successful and that the military regime has taken advantage of ASEAN by using it as a political shield. He also makes the important point that most of the other nine ASEAN members have been or are currently dealing with significant problems of political legitimacy.

The sharpest charge Pavin makes is that ASEAN has created a series of myths to conceal the grim reality of Myanmar's failures. One myth is that engagement would help to transform Myanmar eventually into a thriving democracy. Another myth is that China has a great influence in Myanmar.

According to Pavin, the new U.S. policy of "pragmatic engagement" with Myanmar has punctured a third myth: that ASEAN is the single provider of legitimacy to the government of Myanmar. He points to a number of recent actions by the government of Myanmar that reveal its lack of interest in ASEAN. He posits instead that the military regime views the United States as the "real provider of legitimacy."

Pavin argues that ASEAN has lost the chance to remain "in the driver's seat" in the process of steering Myanmar toward the political and economic goals of the ASEAN community because it lacks a strategy for doing so. The

only choices now are to give up any role in addressing the problem of Myanmar or to follow the United States. As Pavin sees it, ASEAN's actions since the new U.S. policy was announced in September 2009 show that it has opted for the latter course: to "jump on the last bus . . . to Naypyidaw." As a result, ASEAN is likely to become a marginal player in the international community's relations with Myanmar.

Chapter 11, by Andrew Selth, examines in considerable detail the international community's growing concern about Myanmar's nuclear ambitions. He begins by summarizing seven developments between June and October 2009 that generated press reports about cooperation between Myanmar and North Korea in the area of nuclear technology. He provides important historical context for these reports, describing Myanmar's relationship with North Korea since its independence as checkered. In particular, he recalls the assassination attempt by North Korean agents against the president of South Korea during a visit to Myanmar in 1983, which was taken as a personal affront by Ne Win, Myanmar's ruling general at the time. He also notes the irony that the portrayal of Myanmar as a pariah state by the United States and other Western countries after the SLORC's repudiation of the 1990 election provided the impetus for Myanmar's subsequent rapprochement with North Korea.

Selth points out the logic of military cooperation between Myanmar and North Korea and treats as credible many of the reports about purchases of military hardware from North Korea, training of military personnel in North Korea, and North Korean technical assistance in tunneling. Beyond these reports, however, he writes, "public commentary [is] running ahead of the facts." He explains that Myanmar has a relatively large defense-industrial complex, which naturally seeks to upgrade its ability to manufacture modern weapons by purchasing technology from all available sources.

Selth observes that Myanmar, among all the Southeast Asian nations, has "the strongest strategic rationale to develop nuclear weapons" because it feels the most threatened by external invasion. He refers to a September 2009 report from the International Institute for Strategic Studies in London that found "insufficient information to make a well-founded judgment about Myanmar's nuclear ambitions and the North Korean connection." At the same time, he observes that Myanmar's military rulers can be expected to do whatever they can to stay in power, and therefore the reports of a possible nuclear weapons program cannot be dismissed out of hand.

Part 2, on the outside interests, concludes with chapter 12, which is the text of the testimony given by Assistant Secretary Kurt Campbell before the

House Committee on Foreign Affairs on October 21, 2009. In this testimony, Campbell describes the new U.S. policy of pragmatic engagement. The context for this change is laid out in the final section of this overview chapter.

## **The United States and Other Outside Interests**

The United States is arguably the most significant of the other outside interests in Myanmar. Before examining the U.S. role, however, three other perspectives are worth mentioning to round out the picture: democracy and human rights advocates, humanitarian NGOs, and the United Nations.

The SLORC's repudiation of the 1990 election, its unconscionable treatment of Aung San Suu Kyi, and her award of the Nobel Peace Prize in 1991 catapulted Myanmar to front ranks among global causes. Other Nobel Peace Prize winners, prominent actors and musicians, and a host of human rights and democracy advocates have actively worked over the past twenty years to pressure Myanmar's military regime to stop its abuse of human rights and yield power to the NLD. These efforts have had an especially large impact on U.S. policy toward Myanmar, as discussed further in the next section.

International NGOs specializing in humanitarian interventions were not welcome in Myanmar during Ne Win's twenty-six years of isolationist rule. They initiated programs in the 1990s and have made an important contribution since then to a growth spurt in civil society and the emergence of numerous indigenous NGOs. When Cyclone Nargis struck in May 2008, at least a dozen international NGOs operating inside Myanmar were able to redeploy their staffs immediately to undertake disaster relief activities. Other international NGOs were allowed to begin operating inside Myanmar, and naturally the NGOs as a group began seeking ways to address humanitarian needs beyond the cyclone-impacted areas. Given their financial resources and energy, these NGOs have the potential of contributing importantly to Myanmar's socioeconomic development after the 2010 election.

Global concerns about democracy, human rights, and poverty in Myanmar have prompted the United Nations to undertake a broad range of initiatives focusing on this country. For example, UN secretary-general Kofi Annan appointed Malaysian diplomat Tan Sri Ismail Razali as his special envoy on Myanmar in 2000. Razali resigned in 2005, frustrated over the lack of progress, and was replaced by Nigerian diplomat Ibrahim Gambari. Gambari was no more successful and moved on to another position at the end of 2009. Secretary-General Ban Ki Moon made a special trip to Myanmar in May 2008 and is given some of the credit for persuading the SPDC to

allow international relief agencies to help the victims of Cyclone Nargis. He returned empty-handed, however, from a second trip in July 2009.

In 1992 the United Nations Human Rights Council appointed a Japanese diplomat as its special rapporteur on the situation of human rights in Myanmar. Three others followed her in this position. One of the four was never granted permission to visit by the government of Myanmar. The others made periodic visits to Myanmar without achieving significant results.<sup>19</sup> The council has adopted a number of resolutions deploring the human rights situation in Myanmar and calling for corrective action by the government of Myanmar. The representative of the secretary-general on the human rights of internally displaced persons, Walter Kälin, has been concerned about the displaced persons situation in Myanmar since his appointment in 2004 but has not yet been able to visit the country. By contrast, the UN's International Labor Office has maintained a liaison office in Yangon since 2002 and has had some success in the area of forced labor.

Since 1991 the UN General Assembly has passed annual resolutions calling on the Myanmar government to respect human rights and restore democratic rule.<sup>20</sup> In January 2007 a move by the U.S. government to get a Security Council resolution condemning Myanmar failed owing to vetoes by Russia and China, but a month after the suppression of the Saffron Revolt, the Security Council did approve a statement by its president decrying the actions of the military regime. Sadly, it is not possible to find any positive impact of these activities by the United Nations on the problems of national reconciliation or socioeconomic advancement in Myanmar.

### *U.S. Policy toward Burma/Myanmar*

Until 1988 U.S. foreign policy did little more than recognize Burma's existence, partly because of the Burmese government's inward-looking policies and partly because of America's preoccupation with conflicts in other Asian countries (Korea, Vietnam, Indonesia, and the Philippines). After General Ne Win was deposed in 1988, U.S. interest in Burma grew rapidly, although it quickly focused on regime change following the SLORC's repudiation of the NLD victory in the 1990 election and its mistreatment of Aung San Suu Kyi. Political and economic sanctions were progressively tightened in response to actions by the military regime that inflamed public sentiment in the United States. In September 2009, acknowledging that twenty years of sanctions and "megaphone diplomacy" had little perceptible effect either in promoting better governance or ending the suppression of Aung San

Suu Kyi, the Obama administration announced a new policy of “pragmatic engagement.” The new policy has been seriously tested in the run-up to the 2010 election in Myanmar.

FROM 1948 TO 1988. As part of its strategy to contain China and stop the spread of communism to Southeast Asia, the U.S. government initiated an economic assistance program in Burma in 1950 while also providing covert support to remnants of the Chinese Kuomintang forces that had fled into Burma. Prime Minister U Nu terminated the program in 1953 to preserve Burma’s neutrality in the cold war. U.S. assistance to Burma resumed in 1956 with an emphasis on food aid, only to be terminated again in 1964 by General Ne Win. Significantly, between 1948 and 1962 more than one thousand Burmese military officers received training in the United States under a military assistance program—a larger group than received training in any other country. A third wave of U.S. assistance to Burma began in 1974, focusing on fighting the manufacture and sale of narcotics, and was expanded substantially in 1980 to become a typical multisector program.

THE 1990 ELECTION AND THE BEGINNING OF SANCTIONS. The end of Ne Win’s failed experiment with socialism in 1988 was greeted enthusiastically by the United States at a moment when cracks were appearing in the Iron Curtain in Europe. It looked as though Burma might start down the path of modernization taken by its Southeast Asian neighbors in the 1960s and in the 1980s by China and Vietnam.

Americans quickly identified with Aung San Suu Kyi’s campaign for democratic rule in the 1990 election. Her appeal in the United States was matched only by her popularity and support in the United Kingdom, where she had studied, met her husband, and given birth to two sons. When she was awarded the Nobel Peace Prize in 1991, she became a global symbol of the struggle for human rights and democracy.

The reversal in U.S. policy toward Burma that occurred between 1988 and 1991 is easy to understand in the context of the historic turn of events in Eastern Europe and the Soviet Union at that time.<sup>21</sup> Democracy was prevailing over totalitarian rule. Human rights were being recognized as never before. The end of history was proclaimed. After almost thirty years of repressive military rule, the 1990 election in Burma looked like another victory for democracy and human rights. A more charismatic leader than Aung San Suu Kyi could hardly be imagined.

As it became clear that the hoped-for democratic transition had been denied by the SLORC, as reports of human rights abuses escalated, and as refugees flooded into Thailand, the full range of U.S. assistance programs was

wound down, essentially representing the first batch of sanctions imposed on Burma. Under President Bill Clinton, U.S. policy became increasingly linked to the treatment of Aung San Suu Kyi in response to a grassroots campaign by democracy and human rights advocates targeting the U.S. Congress. The campaign was successful in getting U.S. aid monies allocated to help Burmese refugees in camps on the Thai border and to support a variety of NGOs promoting democracy and human rights in Burma from outside the country (funneled primarily through the National Endowment for Democracy).

This grassroots pressure contributed to President Clinton's decision in 1995 to send his UN ambassador, Madeleine Albright, to Burma in an effort to persuade the SLORC to accept a role for the NLD in governing the country. She went on to become secretary of state in the second Clinton administration and a fervent and influential supporter of democracy in Burma after the election of George W. Bush. President Clinton imposed a second batch of sanctions in 1997 in the form of denying visas to designated military leaders and their families and prohibiting new investment in Burmese resources by Americans.

U.S. POLICY IN THE GEORGE W. BUSH ADMINISTRATION. Under President George W. Bush (2001–09), U.S. policy became so focused on Aung San Suu Kyi that it could be described as one-dimensional. First Lady Laura Bush personally promoted the cause of Burma to a point where even career diplomats said that U.S. policy toward Burma was being made in the White House.

A third batch of sanctions, including a freeze on Burmese assets in the United States, severe restrictions on bank transactions, and a ban on imports from Burma, was imposed in May 2003 under the Burmese Freedom and Democracy Act. These sanctions were prompted by an attack on Aung San Suu Kyi and members of the NLD near the town of Depayin (in central Myanmar) while traveling by car to visit NLD supporters in the countryside.<sup>22</sup> The U.S. secretary of state, Colin Powell, immediately condemned the attack and referred to the SPDC as thugs.

Two years later, in her confirmation hearings to become the secretary of state after serving as President Bush's national security adviser, Condoleezza Rice named Burma as one of six "outposts of tyranny." In January 2007, eight months before the Saffron Revolt, the Bush administration attempted to persuade the UN Security Council to pass a resolution condemning the SPDC but was blocked by China and Russia.

The fourth and latest batch of sanctions was enacted in 2008 in response to the brutal repression of the Saffron Revolt in September 2007. These

included a prohibition on imports of Burmese-origin jade and gemstones and a requirement that U.S. directors in the multilateral financial institutions vote against any assistance to Burma.

The one-dimensional Bush administration policy toward Burma commanded broad bipartisan support. Republican senator Mitch McConnell, chairing the Senate Appropriations Committee, and Democratic representative Tom Lantos, chairing the House Committee on Foreign Affairs, were particularly outspoken on the issue of Burma.

The Bush administration's response to Cyclone Nargis in May 2008 was rapid and substantial. Disaster relief supplies from the U.S. Agency for International Development were airlifted from Bangkok to Yangon in more than 180 flights by U.S. Air Force planes, more than were carried out by any other donor country or multilateral agency.<sup>23</sup> Assistance totaling nearly \$75 million was provided to the victims of Nargis. However, in a move regarded by some analysts as feeding the paranoia of the SPDC, U.S. Navy ships with additional supplies stood off the coast of Burma well after it became clear that the military regime would not allow the ships to enter Burmese ports and after ships from other countries had unloaded supplies in Thai ports.

**A NEW POLICY IN 2009.** When Senator Barack Obama was campaigning for the presidency in 2008, foreign policy was stressed as one of the areas in which his administration would adopt an approach distinctly different from that of the Bush administration. U.S. policy toward Burma was not given special attention in the campaign, but it did receive a remarkable degree of attention after Obama's inauguration in January 2009.

The first hint of how U.S. policy toward Burma would change came in February 2009 during Secretary of State Hillary Clinton's first foreign trip, which departed from tradition by focusing on Asia. During her stop in Jakarta, Secretary Clinton announced that a review of U.S. policy toward Burma was being initiated,

because we want to see the best ideas about how to influence the Burmese regime. And we are looking at every possible idea that can be presented. Clearly, the path we have taken in imposing sanctions hasn't influenced the Burmese junta. But . . . reaching out and trying to engage them hasn't influenced them either. So this is a problem for not just Indonesia and the United States, but for the entire region. And we're going to work closely; we're going to consult with Indonesia for ideas about how best to try to bring about the positive change in Burma.<sup>24</sup>

In March a mid-level foreign service officer visited Naypyidaw and met with the foreign minister, suggesting that the review was proceeding on a fast track. At the beginning of May, however, the review was moved to a slow track owing to a bizarre incident in which an elderly American man swam to Aung San Suu Kyi's house, leading to her trial and conviction for violating the terms of her house arrest. The review moved forward again in August after Aung San Suu Kyi's sentence was commuted to another eighteen months of house arrest.

Another key development was a visit to Burma later in August by Senator Jim Webb, chair of the Subcommittee on East Asian and Pacific Affairs of the Senate Foreign Relations Committee and for years a critic of the hard-line U.S. policy toward Burma. Senator Webb met with Senior General Than Shwe and Aung San Suu Kyi and also facilitated the deportation of the deranged American swimmer.

The completion of the U. S. policy review was announced by Assistant Secretary Kurt Campbell in New York at the end of September in connection with a meeting he had with Myanmar's minister for science and technology, who was attending the UN General Assembly meetings. Assistant Secretary Campbell testified about the review at hearings held by the Senate Foreign Relations Committee on September 30 and by the House Foreign Affairs Committee on October 21. (His House testimony is presented in chapter 12 of this volume.) Two weeks later, Campbell visited Myanmar on a fact-finding mission to assess the military regime's interest in responding constructively to the shift in U.S. government policy. In mid-November, President Obama participated in an ASEAN-U.S. Summit in Singapore that included Myanmar's prime minister Thein Sein.

Assistant Secretary Campbell made a second trip to Myanmar in May 2010, which was notable for the absence of any apparent progress in the process of engagement. Senator Webb scheduled a second trip to Myanmar in June 2010 but canceled it after he had left Washington in response to a report that surfaced with new evidence about nuclear technology being transferred from North Korea to Myanmar.

In mid-2010, as this volume was going to press, four aspects of U.S. policy toward Burma remained ambiguous. The most problematic was the U.S. stance on the 2010 election in Burma. The policy spelled out four conditions for a credible election process: "release of political prisoners, the ability of all stakeholders to stand for election, eliminating restrictions on the media, and ensuring a free and open campaign." Without these conditions, the



policy seemed to imply that the government emerging from the 2010 election would not be legitimate. At the same time, Assistant Secretary Campbell said in his October 21 testimony, “we are skeptical that the elections will be either free or fair.” If in fact the election to be held on November 7 is not free and fair, the U.S. government apparently will be forced to disengage on the grounds that the new government of Burma is illegitimate.

A second ambiguous aspect was the view of the U.S. role relative to the role of international organizations, regional organizations, and other countries. Toward the end of his October 21 testimony, Assistant Secretary Campbell said, “We alone cannot promote change in Burma. . . . We need regional states’ support in pressing for political and economic reform.” On balance, however, the testimony can be read to suggest that the United States holds the key to Burma’s future and that the proper vision of Burma’s future is the U.S. vision. This view contrasts with the position of Senator Webb, who has pointed to Vietnam as an example of an alternative path to political and economic reform that has been accepted by the United States.

A third ambiguous aspect is what the U.S. government decides to call this country. All of Burma’s ASEAN partners and all of Burma’s other Asian neighbors (notably China, India, and Japan) call the country Myanmar. Only a small number of countries apart from the United States continue to call it Burma to show their support for democratic rule based on the outcome of the 1990 election. Continuing to call the country Burma has three disadvantages. It implies that regime change remains a goal of U.S. policy. It makes the U.S. government look toothless because it has failed for so many years to persuade others to call the country Burma. And it implies that Myanmar’s ASEAN partners and Asian neighbors are insufficiently committed to democracy and human rights because they have accepted the name adopted by the military regime. As part of the policy of pragmatic engagement, a case could be made for adopting “Burma/Myanmar” or “Myanmar/Burma” in official statements, as some other Western countries have done.<sup>25</sup>

A fourth ambiguous aspect is the view that Burma represents a threat to U.S. national security. In the notice issued by the White House in May 2010 extending U.S. sanctions for another year, President Obama determined that the Burmese government’s “actions and policies pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States.”<sup>26</sup> Making this finding is a statutory precondition to imposing sanctions against Burma.<sup>27</sup> To the rest of the world, however, this finding seems far-fetched.

*Recommendations to the U.S. Government*

The October 2009 workshop was designed to bring to Washington the perspectives of Asian and other non-American experts on the problem of Myanmar, not to make recommendations to the U.S. government. Nevertheless, it is possible to extract a short set of recommendations from the papers presented at the workshop and the related discussion. Readers should bear in mind that these are the recommendations of non-American experts who tend to view the problem of Myanmar primarily as a regional problem rather than a global problem.

—The change in U.S. policy is welcome. It is also timely in light of the political transition that is expected to follow the election in Myanmar to be held on November 7, 2010.

—As the new U.S. policy of pragmatic engagement adapts to developments inside Myanmar, the U.S. government should keep in mind the complexities of the internal conflict, including discrimination by stronger ethnic minority groups against weaker ones and latent communal tensions among Muslim, Chinese, and other residents. It should view Myanmar as having a premodern society bearing vestiges of feudalism. It should understand that the social changes required to build strong foundations for democratic governance will occur slowly, over decades. It should understand the predatory nature of the military regime.

—To be effective in advancing America's fundamental interests in Myanmar, engagement by the United States will have to be comprehensive, encompassing all major elements of the society, and multidimensional. It should seek to bring people back into the peace equation.

—In 2010 the military regime will not be in a position to engage meaningfully with the United States or any other foreign country or international organization because it will be preoccupied with managing the election and launching the new government. Therefore it would be advisable for the U.S. government to monitor developments closely and not launch any initiatives.

—During the past year, the United States has clearly demonstrated its strong interest in ASEAN. It could do much more to support ASEAN's efforts to help Myanmar move toward ASEAN norms of good governance and economic integration.

—Human capital and institutional capacity will be the binding constraints on the ability of the new government to govern well. The U.S. government, along with other friendly countries, should give the highest priority

going forward to capacity-building programs and projects, especially for civil servants.

—As soon as politically feasible, the U.S. government should stop opposing technical assistance activities in Myanmar by international organizations including the United Nations, the International Monetary Fund, the World Bank Group, and the Asian Development Bank.

—The U.S. government should assume that the next government of Myanmar will not be in a position to commit to *quid pro quo*s for any relaxation of U.S. sanctions. The U.S. government should also assume that any intensification of its sanctions will have no positive effect on the current government of Myanmar or the next one.

—A useful step in implementing pragmatic engagement could be to move toward calling the country Myanmar instead of Burma, perhaps beginning with Burma/Myanmar.

—The U.S. government might do more to alleviate poverty and injustice in Myanmar by focusing on good governance instead of on free and fair elections. The policy of pragmatic engagement might be more successful if it were more accepting of the development model followed by Indonesia, China, and Vietnam, where economic liberalization preceded political liberalization.

## Notes

1. The ten members of ASEAN are Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic (Laos), Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.

2. From the Preamble to the ASEAN Charter ([www.aseansec.org/publications/ASEAN-Charter.pdf](http://www.aseansec.org/publications/ASEAN-Charter.pdf) [May 2010]).

3. S. Rajaratnam School of International Studies, "Understanding Statelessness: Issues, Challenges, and Opportunities," *NTS Alert*, no. 1 (February 2010) ([www.rsis.edu.sg/nts/HTML-Newsletter/alert/NTS-alert-feb-1001.html](http://www.rsis.edu.sg/nts/HTML-Newsletter/alert/NTS-alert-feb-1001.html)).

4. At the same time a law was passed that guaranteed freedom of religion. David I. Steinberg, *Burma/Myanmar: What Everyone Needs to Know* (Oxford University Press, 2010), p. 59.

5. *Ibid.*, pp. 91–92.

6. An important step along the way was the SPDC's announcement in August 2003 of a seven-step Roadmap to Discipline-Flourishing Democracy. The plan ordered that (1) the National Convention be reconvened; (2) the process necessary for the emergence of a genuine and disciplined democratic system be implemented; (3)

a new constitution be drafted based on the principles laid down by the National Convention; (4) the constitution be adopted through a national referendum; (5) free and fair elections for the legislative bodies be held; (6) the legislative bodies be convened; and (7) a modern, developed, and democratic nation be built by the state leaders and the government.

7. Often called the Saffron Revolution, the monk-led popular protest was quickly and brutally crushed by the SPDC and therefore does not seem to merit being called a revolution.

8. The International Crisis Group published in May 2010 a superb analysis of the election laws: "The Myanmar Elections," May 27, 2010 ([www.crisisgroup.org/en/regions/asia/south-east-asia/burma-myanmar/B105-the-myanmar-elections.aspx](http://www.crisisgroup.org/en/regions/asia/south-east-asia/burma-myanmar/B105-the-myanmar-elections.aspx)).

9. Zaw Oo and Win Min, "Assessing Burma's Ceasefire Accords," Policy Studies 39 (Southeast Asia) (Washington: East-West Center, 2007), p. 13.

10. The granularity and complexity of the reconciliation problem today, at the level of one major ethnic minority, has been analyzed by Ashley South. He contrasts recent developments in Karen communities inside Myanmar with those in the substantial Karen groups in Thailand and beyond. Ashley South, "Governance and Legitimacy in Karen State," in *Ruling Myanmar in Transition*, ed. Monique Skidmore and Trevor Wilson (Singapore: ISEAS, 2010).

11. "Confronting the Demons," *Irrawaddy*, October 17, 2009 ([www.irrawaddy.org/opinion\\_story.php?art\\_id=17011](http://www.irrawaddy.org/opinion_story.php?art_id=17011)).

12. Tin Maung Maung Than, *State Dominance in Myanmar: The Political Economy of Industrialization* (Singapore: ISEAS, 2007), pp. 290–92.

13. Cyclone Nargis in May 2008 dealt a major blow to roughly half of the delta rice bowl. While recovery has been somewhat faster than expected, rice output remains below potential, owing to infrastructure damage compounded by severe policy-related constraints.

14. Sean Turnell, "Burma's Economy 2008: Current Situation and Prospects for Reform," Burma Economic Watch, May 2008 ([www.econ.mq.edu.au/Econ\\_docs/bew/BurmaEconomy2008.pdf](http://www.econ.mq.edu.au/Econ_docs/bew/BurmaEconomy2008.pdf)), p. 15.

15. Global Witness, *A Disharmonious Trade: China and the Continued Destruction of Burma's Northern Frontier Forests* (October 2009, London).

16. A third factor was the remnants of the Kuomintang army that fled into northern Myanmar as Mao Zedong's communist forces consolidated their control over China following the defeat of Japan. These remnants supported themselves in large part by becoming a global supplier of opium. Some were evacuated to Taiwan in the 1950s, and in 1961 the Chinese army effectively eliminated the rest.

17. Andrew Selth writes that China has provided light weapons and ammunition to Myanmar: *Burma's Armed Forces: Power Without Glory* (Norwalk, Conn.: Eastbridge, 2002), p. 168. Others have claimed that China has provided Myanmar with facilities to manufacture light weapons.

18. Few military analysts believe that the number of active Tatmadaw personnel exceeds 400,000. Desertion seems to be a problem, and many units are known to be

well under their formal strength. Total personnel at the end of 2009 may have been below 350,000.

19. The current special rapporteur, since May 2008 and from Argentina, is Tomàs Ojea Quintana.

20. UN General Assembly Resolution 46-132 on the Situation in Myanmar, December 17, 1991 (<http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/582/20/IMG/NR058220.pdf?OpenElement>).

21. The People Power Revolution in the Philippines in 1986 that deposed President Fernando Marcos was an even closer example of the victory of democracy over authoritarian rule.

22. Donald M. Seekins, "Burma and U.S. Sanctions: Punishing an Authoritarian Regime," *Asian Survey* 45, no. 3 (2005): 437–52, 439.

23. Tripartite Core Group, *Post-Nargis Joint Assessment* (July 2008), p. 52.

24. Remarks by Secretary of State Hillary Rodham Clinton, February 18, 2009 ([www.state.gov/secretary/rm/2009a/02/119424.htm](http://www.state.gov/secretary/rm/2009a/02/119424.htm)).

25. The U.S. Institute of Peace lists the country on its website as Myanmar/Burma.

26. White House press release, May 14, 2010 ([www.whitehouse.gov/the-press-office/message-president-continuation-national-emergency-with-respect-burma](http://www.whitehouse.gov/the-press-office/message-president-continuation-national-emergency-with-respect-burma)).

27. The requirement is contained in the Emergency Economic Powers Act of 1997.