
Changing Myanmar: International Diplomacy and the Futility of Isolation¹

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This article examines the evolution of foreign relations with Myanmar. Due to increased trade with Myanmar and a rise in its strategic importance for countries such as China and India, attempts to enforce change through isolation have become increasingly futile. Despite this situation, the military regime has recently embarked on a series of political reforms that have the potential to improve the quality of governance and level of political freedom within the country. While some key leaders in the West are now acknowledging a degree of political progress inside Myanmar, the country continues to face Western sanctions and remains largely isolated from humanitarian aid. However, this article argues that the only choice is for the West to strengthen the present level of engagement and aid.

Despite some significant improvements to the political situation in Myanmar, the international community remains divided over whether to sanction and isolate or to provide aid and engage the country's leaders. However, the reality is that Myanmar's military regime (*tatmadaw*) has managed to escape any significant threat to its security and viability due to an exponential increase in the value of the country's natural resources and an associated rise in Myanmar's strategic importance.

Consequently, this article investigates the implications of these changing dynamics for international approaches to Myanmar. The first section examines the manner and extent to which key economic and strategic partners have facilitated the survival of Myanmar's leadership. As China has become the most important supporter of Myanmar, the second section examines the nature of Beijing's diplomatic support and whether the diplomatic crisis over the September 2007 protests in Myanmar affected this relationship in a way that could lead to more constructive relations in the future. The third section examines the evolution of diplomacy by the Association of South East Asian Nations (ASEAN) and Western diplomacy to ascertain the potential for more collaborative approaches to Myanmar. Based on an analysis of recent political reforms, the final section analyses whether these international approaches should be further amended. The paper concludes that while the West lacks the capacity to force Myanmar's

¹ The author is indebted to Dr Frank Frost for the provision of some very useful research material and to two anonymous reviewers for their very constructive suggestions.

leaders to adopt further reforms, recent domestic developments do provide an opportunity for a broader international consensus concerning stronger engagement and increased humanitarian aid. While Myanmar may be changing, it is now more futile than ever to seek to impose change.

Explaining Regime Survival: Natural Resources and Strategic Interests

Despite a populace of 50 million people, the scale of Myanmar's economy remains relatively small. For example, in 2010 the country's GDP was estimated to be US\$43 billion and its *per capita* GDP, in terms of Purchasing Power Parity (PPP), was just US\$1250—the lowest of the ten ASEAN countries.² Further, 32 percent of Myanmar's people live below the poverty line³ and the 2010 United Nations Human Development Index (HDI) ranked Myanmar number 132 in the world—the only ASEAN nation to be depicted with “low human development”.⁴ Despite these poor conditions, in the 2009-2010 financial year economic growth reached an estimated 5.3 percent, export revenue rose by 22.8 percent, and the country's foreign exchange reserves reached a record high of US\$5.3 billion.⁵

These positive economic trends have been partly driven foreign investments and trade regarding the country's natural resources. For example, during the 2008-09 financial year, Myanmar produced 10.67 billion cubic metres (bcm) of natural gas and by 2010 this sector represented 27.9 percent of Myanmar's total export revenue.⁶ Thailand is currently the largest source of demand for this commodity; in 2008-09 it purchased 8.55 bcm or 80.13 percent of Myanmar's natural gas exports.⁷ Demand for other natural resources in Myanmar has also been steadily increasing. For example, in 2010 gem exports increased by 41 percent while the production of jade expanded by 90.7 percent.⁸ As a consequence of this trade, *inter alia*, the three largest sources of export revenue in 2009 were Thailand (45.8 percent), India (12.8 percent), and China (10.5 percent).⁹ Nonetheless, the people of Myanmar have hardly benefited from this trade and investment.

² 'Burma (Myanmar) Fact Sheet', Australian Department of Foreign Affairs and Trade, 2011, <<http://www.dfat.gov.au/geo/fs/burm.pdf>> [Accessed 23 June 2011].

³ 'Integrated Household Living Conditions Assessment (IHLCA) Survey Project', United Nations Development Program, 2011, <<http://www.mm.undp.org/HDI/Household.html>> [Accessed 23 June 2011].

⁴ 'The Real Wealth of Nations: Pathways to Human Development', in *Human Development Report* (New York: United Nations Human Development Program, 2010), p. 142.

⁵ *Asian Development Outlook 2011* (Manila: Asian Development Bank, 2011), p. 198; Australian Department of Foreign Affairs and Trade, 'Burma (Myanmar) Fact Sheet'; 'Country Report: Myanmar (Burma)', *Economist Intelligence Unit*, May 2011, p. 13.

⁶ Economist Intelligence Unit, 'Country Report: Myanmar (Burma)', p. 13.

⁷ 'Foreign Trade', Central Statistical Organization, Myanmar Ministry of National Planning and Economic Development, 2011, <<http://www.csostatat.gov.mm>> [Accessed 1 May 2011].

⁸ Economist Intelligence Unit, 'Country Report: Myanmar (Burma)', p. 14.

⁹ Australian Department of Foreign Affairs and Trade, 'Burma (Myanmar) Fact Sheet'.

This is because the Burmese businesses involved in this trade and investment are either State Owned Enterprises (SOEs) or private enterprises owned by the ruling elite—some of which were purchased at below market value just prior to the November 2010 elections.¹⁰

Since January 2010, some more specific trade and investment developments have occurred that will further empower Myanmar's ruling elite. For example, as a consequence of new investments and the onset of the China-ASEAN Free Trade Agreement (CAFTA), China's trade with Myanmar reached a total of US\$4.44 billion in 2010—a 53.2 percent increase from the previous year and a 270 percent increase from 2005.¹¹ Meanwhile, foreign direct investments (FDI) by 'permitted enterprises' from China (including Hong Kong) reached a record high of US\$13.67 billion. There are now 175 Chinese enterprises operating in the country and 69 of these are involved in more than 90 hydropower, oil, gas and mining projects.¹² Thus, in May 2010 alone, major Chinese investments included a hydrocarbon project worth US\$2.15 billion, a US\$997 million investment in the development of the Letpadaung copper deposit, and a US\$5.03 billion investment in two hydropower dams in the Kachin state.¹³

The proliferation of Chinese trade and investments in Myanmar is partly informed by Beijing's concern about energy security and its reliance on hydrocarbon shipments through the Malacca Straits—coined the Malacca dilemma.¹⁴ Consequently, since late 2008 China has negotiated agreements on the construction of a 2380 km oil pipeline from the Kyaukpyu port on the west coast of Myanmar to Kunming city in China as well as a 2806 km natural gas pipeline running from the same port to Kunming and then on to Guizhou Province and the Guangxi Zhuang region. The oil pipeline is anticipated to deliver 22 million tonnes of crude oil per annum while the natural gas pipeline has been designed to deliver 12 bcm per year.¹⁵ The combined cost of the two pipelines is estimated to be US\$2.5 billion.¹⁶ Once the pipeline becomes operational in 2013, Chinese purchases of natural gas

¹⁰ 'Myanmar's Post Election Landscape', (Jakarta/Brussels: International Crisis Group, 2011), p.8.

¹¹ 'China's Trade with Myanmar in February 2011', *Xinhua's China Economic Information Service*, 1 April 2011; 'Myanmar President Visits China', *Channel News Asia*, 26 May 2011.

¹² 'Selected Indicators', Central Statistical Organization, Myanmar Ministry of National Planning and Economic Development, 2011, <<http://www.csostat.gov.mm/sindicators.ASP>> [Accessed 2011, 17 April]; EarthRights International, 'China in Burma: The Increasing Investment of Chinese Multinational Corporations in Burma's Hydropower, Oil and Natural Gas, and Mining Sectors', (Chiang Mai/Washington: EarthRights International, 2008), p.1.

¹³ Tom Keane and Thu Khaw, 'Chinese FDI Tops \$8bn in Myanmar this Year', *Phnom Penh Post*, 17 August 2010.

¹⁴ Jurgen Haacke, 'China's Role in the Pursuit of Security by Myanmar's State Peace and Development Council: Boon and Bane?', *The Pacific Review*, vol. 23, no. 1 (2010), p. 123.

¹⁵ Siliva Yoo and Mriganka Jaipuriyar, 'China Starts on Myanmar Pipelines', *International Gas Report*, 21 June 2010.

¹⁶ Haacke, 'China's Role in the Pursuit of Security by Myanmar's State Peace and Development Council', p. 120.

are expected to surpass the current level of trade in natural gas with Thailand.¹⁷

Meanwhile, India has belatedly attempted to compete with China in gaining access to Myanmar's natural resources. This competition has led to an abandonment of India's previously hostile stance against the Myanmar regime and significant increases in the level of trade, investment and aid.¹⁸ For example, India and Myanmar announced an agreement over a US\$1.35 billion gas project in February 2010. This was followed by the announcement in April 2010 of a possible US\$5.6 billion investment in Hydropower.¹⁹ Then, in July 2010, India's Prime Minister hosted Myanmar's then-leader, Senior-General Than Shwe, for a five-day state visit where the two governments concluded five agreements concerning mutual assistance on criminal matters and investments in Myanmar's agriculture, livestock development, fisheries, mining, construction, engineering and power generation.²⁰ These agreements were followed by a further US\$800 million in soft loans between 2010 and 2011 for the purpose of infrastructure development.²¹ As a consequence of India's engagement with Myanmar, during 2010 trade between India and Myanmar increased by 30.17 percent to a total of US\$1.5 billion.²²

Nevertheless, the limitations to India's ability to compete with China were evident in relation to a bid by an Indian state-owned oil company (GAIL) to acquire access to Myanmar's Shwe gas field. In 2004, GAIL had been selected as the preferred bidder and in October 2006 a Memorandum of Understanding (MoU) was signed between the two countries.²³ However, later that year, the Myanmar Government reopened the project to offers from other countries. In the end, it awarded the China National Petroleum Corporation with a contract for access to an estimated 180 bcm in natural gas reserves. Once extracted, these hydrocarbons will be transported via the above mentioned Kyaukpyu gas pipeline. According to Jürgen Haacke, the contract was awarded to China partly in return for its veto against an attempt by Washington and London to place Myanmar on the official agenda of the United Nation's Security Council (UNSC). Consequently, the decision

¹⁷ International Crisis Group, 'China's Myanmar Strategy: Elections, Ethnic Politics and Economics', Asia Briefing no. 112 (Beijing/Jakarta/Brussels: International Crisis Group, 2010), p.8.

¹⁸ Hong Zhao, 'India and China: Rivals or Partners in Southeast Asia?', *Contemporary Southeast Asia*, vol. 29, no.1 (2007), p. 131.

¹⁹ Joseph Allchin, 'India Approves Gas Buy as Deportations Loom', *Democratic Voice of Burma*, 18 February 2010; Joseph Allchin, 'India Eyes \$5.6bn Burma Hydropower Deal', *Democratic Voice of Burma*, 22 April 2010.

²⁰ 'India-Myanmar Relations', Ministry of External Affairs, 2010, <<http://meaindia.nic.in/mystart.php?id=50044503>> [Accessed 13 May 2011].

²¹ 'India Vows \$500m for Myanmar Infrastructure', *Aljazeera*, 14 October 2011.

²² 'Export Import Data Bank', Indian Department of Commerce, 2011, <<http://commerce.nic.in/eidb/iecnttopn.asp>> [Accessed 17 April 2011].

²³ 'Small Steps in Myanmar's Long Journey', *Energy Economist*, 1 December 2010.

to place strategic interests above economic interests (e.g. India's higher offer) will cost US\$107 million in annual revenue or US\$3.2 billion over thirty years.²⁴ However, the capacity of Myanmar to absorb this cost is even higher than the national accounts data would indicate. This is because hydrocarbons are sold in US dollars but the earnings are recorded at the official exchange rate of 6.4 Kyat per US dollar (April 2011)—far below the actual market exchange rate of 890 Kyat per US dollar (February 2011) that has been received by the government.²⁵

Aside from access to Myanmar's natural resources, geo-strategic considerations also inform the level of competition between India and China over Myanmar. For example, the dredging of rivers and the construction of roads and railways could also be utilised for military purposes.²⁶ China has also been able to increase its strategic position in the Indian Ocean via logistical and technical support for Myanmar's naval bases and listening posts in Man-aung, Zadaktkyi Island, Coco Island and Hainggyi.²⁷ Despite the occurrence and scope of these allegations being contested by some analysts²⁸, India's perception of a 'China threat' has been reinforced by the construction of a sea port in Myanmar and other ports in Sri Lanka and Pakistan as a component of China's "two ocean strategy".²⁹ The origins of this policy can be traced back to 1993 when General Zhao Nanqui, Director of the Chinese Academy of Military Sciences, reputedly stated that "China cannot accept the Indian Ocean being India's Ocean".³⁰ As a consequence of these considerations, Myanmar is now an integral component of India's 'look east' policy (1991)—a policy that seeks to increase India's economic and strategic influence throughout the ASEAN nations.

The recent paradigm shift in the level of revenue from foreign trade and investment has helped to fund a series of mega-projects including the clandestine construction of Myanmar's new capital (Nay Pyi Taw) which was suddenly announced in November 2005. While the exact cost of the capital

²⁴ 'Myanmar Energy: Small Steps in Myanmar's Long Journey', *Energy Economist*, 1 December 2010; Sean Turnell, 'Burma's Insatiable State', *Asian Survey*, vol. 48, no. 6 (2008), p. 962.

²⁵ Sean Turnell, 'Burma Isn't Broke', *The Wall Street Journal*, 7 August 2009.

²⁶ For example, China is contributing to the construction of a 1215 km rail link between Yangon and Kunming while also constructing a US\$100 million airport in Nay Pyi Taw. China has also helped to build a new highway from Yunnan to the Irrawaddy River and has undertaken dredging in the Irrawaddy River so that larger freighters can navigate through to Bhamo.

Jonathan Manthorpe, 'Burma Moves to Tame the "Great Snake"', *Vancouver Sun*, 17 January 2011; Aung Hla Tun, 'Myanmar, China agree Cross-border Rail Project', *Reuters*, 28 April 2011.

²⁷ N. Ganesan, 'Myanmar-China Relations: Interlocking Interests but Independent Output', *Japanese Journal of Political Science*, vol. 12, no. 1 (2011), p. 104. See also 'Security, Myanmar', *Jane's Sentinel Security Assessment—Southeast Asia*, 4 November 2010.

²⁸ For example, see Andrew Selth, 'Burma, China and the Myth of Military Bases', *Asian Security*, vol. 3, no. 3 (2007), pp. 279-307.

²⁹ Chenyang Li and Liang Fook Lye, 'China's Policies Towards Myanmar: A Successful Model for Dealing with the Myanmar Issue', *China: An International Journal*, vol. 7, no. 2 (2009), p. 258.

³⁰ Cited in Ganesan, 'Myanmar-China Relations: Interlocking Interests but Independent Output'.

is unknown, it is likely to have amounted to many billions of dollars despite much of the work being completed through manual labour and without modern equipment. Whatever the precise figure, the amount of resources diverted to the project has been considerable as the new Parliamentary complex involves thirty-one grand buildings complete with Roman-style pillars and pagoda-style roofs. Further, the capital's heart has been complemented by lavish attractions including seven resort style hotels, five golf-courses, a large zoo, a western style shopping mall and a now bustling red-light district.³¹ Not only did the relocation of Myanmar's capital reflect a strategic goal to isolate the institutions of both the government and the military from the threat of future domestic protests, but it is also believed to have been motivated by a paranoid fear about a possible US military intervention based on US actions in Iraq and Afghanistan.³² Furthermore, the level of expenditure associated with the new capital provides additional evidence about the extent to which Myanmar's political and military elite have benefited from recent trade and investment. The securitised and sometimes paranoid nature of entire policy-making process (including economic management) is a problem that has also been compounded by long-term isolation from the West.³³

Myanmar's strategic partnerships have also financed a strengthening of the number of personnel in the *tatmadaw* from 186,000 (1998) to 406,000 (2010).³⁴ Further, in March 2011, the state-run *Government Gazette* reported that it was increasing the military budget to around 23 percent of government expenditure (US\$2.04 billion)—5.7 percent of total GDP for 2010.³⁵ Today, the four most important suppliers of advanced military equipment and other military related services are Russia, North Korea, India and China. In the case of Russia, in 2009 Moscow agreed to supply a second squadron of MIG-29 fighter aircraft and up to 50 Mil Mi-35 'Hind-E' attack helicopters. India has also supplied a range of weaponry including T-55 main battle tanks, artillery and fighter aircraft and North Korea has allegedly assisted in the construction of major tunnel and bunker networks in both Nay Pyi Daw and Taunggyi.³⁶ Yet, China remains the most significant

³¹ Jason Szep, 'In Myanmar's Gleaming New Capital, Uncertain Promise', *Reuters*, 1 February 2011.

³² Larry Jagan, 'Burma: Fearing Invasion, Junta Plans a New Capital in the Hills', *Inter Press Service*, 20 July 2005. See also Andrew Selth, 'Even Paranoids Have Enemies: Cyclone Nargis and Myanmar's Fears of Invasion', *Contemporary Southeast Asia* 30, no. No.3 (2008): pp.391-94.

³³ On this point, see Christopher B. Roberts, *ASEAN's Myanmar Crisis: Challenges to the Pursuit of a Security Community* (Singapore: ISEAS, 2010), pp.203-04.

³⁴ The government also maintains an additional 107,250 paramilitary personnel. 'Chapter Six: Asia', in *The Military Balance* (London: IISS, 2011), p. 260. The figures for the number of armed forces personnel are based on an estimate provided by the 1988 edition of the *Military Balance*.

³⁵ Jon Grevatt, 'Myanmar Allocates \$2bn of Government Budget to Defence', *Jane's Defence Weekly*, 4 March 2011.

³⁶ Bertil Lintner, 'N. Korea Digs Tunnels in Myanmar to Earn Dollars', *Korea Herald*, 30 March 2010.

supplier of weaponry including F-6 and F-7 fighter jets, air-defence systems, armoured personnel carriers (APC), artillery, landmines and light arms.³⁷ China has also supported Myanmar's capacity to expand its armed forces and to purchase this weaponry through the provision of extensive aid and soft loans.³⁸ While these developments have not provided any significant power projection capability, the swiftness by which it quelled mass protests in September 2007 demonstrates that it now has more than ample strength to subdue any dissent in the central lowland areas. Further, the combination of trade, investment and military supplies had provided the ruling elite with more than enough capacity to withstand Western sanctions.

China's Diplomacy: Undermining Political Reforms in Myanmar?

Given the developments in the previous section, international policies designed to undermine the viability of the regime were never going to be successful in the absence of support from key patrons such as China and India. Therefore, this section focuses on the case study of China and analyses the normative and political opportunities and constraints to a common international approach that might (as a lesser goal) improve the quality of governance in Myanmar. Li Chenyang and Lye Liang Fook claim that "China would like to see a stable, democratic, reconciled and developing Myanmar".³⁹ While their references to stability and development may accurately represent the foreign policy goals of Beijing, their reference to democracy is at best naïve while any preference for reconciliation by China would likely entail a peaceful acceptance of Myanmar's semi-authoritarian model of governance—'disciplined democracy'.⁴⁰

In reality, Beijing has consistently supported Myanmar politically and has reaffirmed the legitimacy of the regime since a rapprochement between the two nations in the late 1980s.⁴¹ For example, Beijing has been particularly supportive of the junta's seven point roadmap for democracy. One component of this roadmap was the national convention which eventually led to the finalisation and ratification (via referendum) of a new constitution and Beijing regularly endorsed the manner by which the *tatmadaw* managed the

³⁷ 'Procurement, Myanmar', *Jane's Sentinel Security Assessment—Southeast Asia*, 25 March 2011. See also Bertil Lintner, 'Burma—Arms for Eyes: Military Sales Raise China's Profile in Bay of Bengal', *Far Easter Economic Review*, 16 December 1993.

³⁸ Kim Chew Lee, 'Myanmar Unmoved by US Sanctions', *The Straits Times*, 8 November 2003; Vijai Nair, 'Why India is Wary about China', The Jamestown Foundation, 2001, <http://www.china.jamestown.org/pubs/view/cwe_001_009_004.htm> [Accessed 20 August 2002].

³⁹ Li and Lye, 'China's Policies Towards Myanmar', p. 262.

⁴⁰ Christopher B. Roberts, *ASEAN's Myanmar Crisis: Challenges to the Pursuit of a Security Community* (Singapore: Institute of Southeast Asian Studies, 2010), pp.152-3.

⁴¹ Ganesan, 'Myanmar-China Relations: Interlocking Interests but Independent Output', p. 105.

convention.⁴² Further, the finalisation of the convention and constitution cleared the way for highly restrictive elections in November 2010. Here, Beijing also sent public signals of support including its acceptance of the elections as legitimate (despite an overwhelming international consensus to the contrary) where China argued that they were held on schedule in a “steady and smooth manner”.⁴³

While China’s support for Myanmar can be partly explained by the strategic and economic interests outlined above, Beijing also argues that most international protests against Myanmar concern the country’s ‘internal affairs’ and are therefore subject to the principle of non-interference—a principle that is integral to the UN Charter and regional institutions such as ASEAN, the ASEAN Plus Three, the ASEAN Regional Forum and the East Asia Summit (EAS).⁴⁴ Consequently, when the United Kingdom and the United States sought to deliver a UNSC resolution against Myanmar in January 2007—based on the justification that Myanmar constituted a threat to regional peace and security—China united with Russia to block the initiative through a double veto. Both China and Russia argued that Myanmar did not constitute such a threat. China also made it clear that the issue constituted an internal affair.⁴⁵ Beijing also sought to avert further attempts to impose a formal UNSC resolution against Myanmar by initiating some quiet diplomacy between Myanmar and the United States; even so this meeting did not produce any results.⁴⁶

China’s defence of Myanmar also serves its own national interests by reinforcing a convention that will protect China from criticism against its own internal affairs—e.g. crackdowns in Tibet in 2008 and the Uighur province in 2009. Nonetheless, the value China places on the principle of non-interference also imposes limitations on Beijing’s support for Nay Pyi Taw. Thus, following significant increases to the price of gasoline that culminated in protests and violence in Myanmar, China hurriedly held two separate meetings with U Nyan Win, Myanmar’s Foreign Minister and special envoy of Than Shwe, in an effort to prevent an intensification of the crisis. At one

⁴² Haacke, ‘China’s Role in the Pursuit of Security by Myanmar’s State Peace and Development Council’, p. 120.

⁴³ ‘Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on November 9, 2010’, People’s Republic of China, Ministry of Foreign Affairs, 2010, <<http://gd.china-embassy.org/eng/fyrth/t768001.htm>> [Accessed 2 April 2011]. See also, ‘China Welcomes Myanmar’s Smooth General Election’, *ChinaDaily*, 9 November 2010.

⁴⁴ ‘Faced with Myanmar Protests, China Reaffirms Policy of Non-Intervention’, *Associated Press*, 25 September 2007.

⁴⁵ Kyrill Dissanayake, ‘Analysis: Russia Stands its Ground as West Hits Out at Burma’, BBC, 28 September 2007; ‘Security Council Fails to Adopt Draft Resolution on Myanmar, Owing to Negative Votes by China, Russian Federation’, United Nations Security Council, Department of Public Information, 2007, <<http://www.un.org/News/Press/docs/2007/sc8939.doc.htm>> [Accessed 8 May 2011].

⁴⁶ Khun Sam, ‘Burmese Opposition Welcomes US, Junta Meeting in Beijing’, *The Irrawaddy*, 2 July 2007.

meeting, China's State Councillor, Tang Jiaxuan, urged Nyan Win and his government to exercise restraint and told Nyan Win the following:

China, as a friendly neighbour of Myanmar, sincerely hoped that Myanmar could resume domestic stability in the earliest time possible, properly address related issues, vigorously promote national reconciliation, and unswervingly advance the process of democratisation suited to the national realities of Myanmar. This not only accords with the fundamental interests of the People of Myanmar ... but also benefits peace, stability and [the] development of the region.⁴⁷

This statement reflects several of Beijing's concerns. For example, the reference to "benefits peace, stability and development in the region" stems from Beijing's awareness that instability in Myanmar could also have direct security ramifications for China along its 2192 km joint border with Myanmar.⁴⁸ Meanwhile, the remarks concerning reconciliation and democracy reflect a concern that massive instability and/or violence may invite stronger international intervention—diplomatic or otherwise. For Beijing, the occurrence of these actions would thereby undermine China's promotion of 'non-interference' by setting a troubling precedent that could be applied against other authoritarian regimes such as China.⁴⁹ In this context, China's special relationship with Myanmar meant that Beijing's worst fears came true when the military violently suppressed continued protests on 26 September 2007. While China objected to a formal UNSC presidential statement, on 27 September 2007 it agreed to a UNSC 'press release' stating that the "members of the council have expressed their concern vis-à-vis the situation, and have urged restraint, especially from the government of Myanmar".⁵⁰ Then, on 28 September, China's Ministry of Foreign Affairs publically expressed a hope

that all parties in Myanmar exercise restraint and properly handle the current issue so as to ensure the situation there [is] free from further

⁴⁷ 'State Councilor Tang Jiaxua Meets with Special Envoy of SPDC Chairman of Myanmar', Ministry of Foreign Affairs of the People's Republic of China, 2007, <www.mfa.gov.cn/eng/wjfb/zjzg/yzs/gjlb/2747/2749/t363133.htm> [Accessed 12 March 2011].

⁴⁸ Such ramifications could include increased criminal activity (e.g. human trafficking and illicit narcotics), increased refugees and mass migration and, interdependent with this, armed conflict with insurgents groups that control the majority of Myanmar's side of this border. For example, in August 2009 the *tatmadaw* (Myanmar military) launched an offensive against the Kokang National Democratic Alliance Army and more than 30,000 displaced Kokang fled into China's Yunnan province. Nyo Ohn Myint, 'Junta Losing Political War Against the KIO', *Mizzima*, 26 October 2010.

⁴⁹ 'China Rules out Intervention in Myanmar Crisis', *Asia Pulse*, 25 September 2007; 'Faced with Myanmar Protests, China Reaffirms Policy of Non-Intervention', *Associated Press*.

⁵⁰ 'UN Security Council Expresses Concern Over Crackdown', *The Irrawaddy*, 27 September 2007. However, China also blocked an attempt for the statement to condemn the Myanmar Government's use of force and also threatened to veto any attempt to implement sanctions through the UNSC. 'West Seeks U.N. Sanctions on Myanmar', *Reuters*, 26 September 2007.

escalation and complication. Myanmar's stability should not be affected. Neither should peace and stability in the region.⁵¹

Despite increased pressure against Myanmar from Beijing, international demands for a formal UNSC presidential statement continued and the United States, the United Kingdom and France subsequently submitted a draft UNSC statement on 5 October 2007. Rather than oppose the statement, Beijing concentrated on softening it by removing references to terms such as 'condemn' and deleting a reference to a consideration of 'further steps' should the situation in Myanmar fail to improve.⁵² Nonetheless, it is noteworthy that China even agreed to a presidential statement where the UNSC "strongly deplore[d] ... the use of violence against peaceful demonstrations", called for "the release of all political prisoners", and appealed "for a genuine dialogue with Daw Aung San Suu Kyi"—the leader of the National League for Democracy (NLD).⁵³ While some Chinese scholars have interpreted China's response "as one of restraint",⁵⁴ Andrew Selth more perceptively notes that

China's carefully worded expressions of concern about the 2007 unrest, for example, were not prompted by any attachment to democratic reform in Burma, but by the need to preserve its national interests there and maintain its diplomatic influence, both in the UN and further afield [—such as in ASEAN].⁵⁵

China also pressured Myanmar to accept visits by Ibrahim Gambari, the United Nation's special envoy to Myanmar, in October and in December. Furthermore, China also indicated that it wanted to maintain dialogue with the European Union (EU) so that a collective resolution to the Myanmar problem could be found.⁵⁶ However, when Singapore proposed that Gambari brief the leaders of sixteen nations at the EAS, China seemingly interpreted the initiative as being too far removed from the region's practice of 'quiet diplomacy' and, because it would be held at the leadership level, too similar in precedent and equivalence to a presidential statement or resolution in the UNSC. Moreover, both the content of the briefing and any subsequent reaction from the leaders at the Summit would not be subject to Beijing's approval. Consequently, China accepted a plea by Myanmar that such a development would be unacceptable and, following objections from both

⁵¹ 'Foreign Ministry Spokesperson Jiang Yu's Regular Press Conference on 27 September 2007', Consulate General of the People's Republic of China in Sydney, 2007, <<http://sydney.china-consulate.org/eng/xwdt/t367779.htm>> [Accessed 14 April 2011].

⁵² 'China Spearheads Move to Soften UN Text on Myanmar', *Xinhua Financial Network*, 9 October 2007.

⁵³ 'Statement by the President of the Security Council', *Security Council, United Nations*, 11 October 2007.

⁵⁴ Li and Lye, 'China's Policies Towards Myanmar', p. 262.

⁵⁵ Andrew Selth, 'Burma's Saffron Revolution and the Limits of International Influence', *Australian Journal of International Affairs*, vol. 62, no. 3 (2008), p. 287.

⁵⁶ Li and Lye, 'China's Policies Towards Myanmar', p. 269.

countries, Gambhari's briefing was cancelled.⁵⁷ Meanwhile, during the period India's diplomacy was primarily notable for a deafening silence concerning the worst aspects of the junta's behaviour.

Notwithstanding Beijing's toughened stance toward Nay Pyi Taw following the September 2007 protests, China only seeks domestic stability and greater restraint *vis-à-vis* the more brutal aspects of the *tatmadaw's* behaviour. China probably hopes that the Myanmar issue will gradually fall from the international radar thereby averting calls for further international action. Given this, China's support for Myanmar is qualified but such qualifications are relative to Beijing's interpretation of what *benign* governance entails together with constant reassessments of China's economic and strategic interests. In the context of the latter, the *real politik* calculations informing China's diplomacy were evident when recently leaked intelligence alleged that China had, in early 2007, provided "an intense program of training" for Nay Pyi Taw concerning counterinsurgency and the suppression of street protests.⁵⁸ Therefore, it is impossible to imagine circumstances where China would be willing to join the West in imposing a sanctions regime. Nonetheless, the combination of Beijing's desire for a stable neighbour together with certain caveats to China's support for Myanmar does provide some limited opportunities for more effective international approaches and may have already contributed to some positive developments inside Myanmar. The most important aspects of these considerations will be further explored in the remaining two sections.

Further International Approaches and Developments: ASEAN and the West

ASEAN's diplomacy with Myanmar has also been informed by economic and geo-strategic considerations. For example, one of the major motives behind the 1997 admittance of Myanmar as an ASEAN member was to lessen its dependence on China and thereby weaken Beijing's influence.⁵⁹ Thus, in an attempt to shift Myanmar's strategic and economic alignment towards ASEAN, the Association initially focused on trade and sought to avoid public criticism of the junta. This policy became known as 'constructive engagement' and it also served as a tool to deflect international criticism on

⁵⁷ According to Lee Jones, China threatened to boycott the briefing if it continued. Lee Jones, 'ASEAN's Albatross: ASEAN's Burma Policy, from Constructive Engagement to Critical Disengagement', *Asian Security*, vol. 4, no. 3 (2008), p. 286.

⁵⁸ These sources identified the key liaison as Colonel Fen Lian Feng; a specialist in psychological warfare and counter-subversion who is stationed in the Chinese embassy in Myanmar. Colonel Fen has allegedly overseen the supply of automatic weapons that fire rubber-coated steel bullets, new communications gear, and tear gas together with other chemical weapons typically used in crowd control. 'China's Role; Focus', *The Sunday Times*, 30 September 2007; 'Training to Suppress Protests', *The Australian*, 1 October 2007.

⁵⁹ Derek Da Cunha, *Renewed Military Buildups Post-Asian Crisis: The Effect on Two Key Southeast Asian Bilateral Military Balances* (Singapore: Institute of Southeast Asian Studies, 2001), p. 4.

the basis that “dialogue, influence, and persuasion rather than the policies of isolation and sanction” would most effectively bring about positive political change in Myanmar.⁶⁰ However, ‘constructive engagement’ became increasingly controversial as very little political progress occurred during the decade that followed. Furthermore, Myanmar’s economy has not yet integrated significantly with ASEAN. Consequently, while Thailand remains the most significant buyer of Myanmar’s exports, and Singapore is Myanmar’s third largest source of imports (after China and Thailand),⁶¹ trade with China and India is expected to surpass total trade with ASEAN by 2013.⁶²

A gradual move away from ASEAN’s policy of constructive engagement can be traced back to the advocacy of both Malaysia and Thailand during the late 1990s. The initial push came from Anwar Ibrahim, the Deputy Prime Minister of Malaysia at the time, who called on ASEAN to be open to ‘constructive interventions’ before emerging problems in the region “erupt into full-blown crises”.⁶³ Surin Pitsuwan—then the Foreign Minister of Thailand and now the Secretary-General of ASEAN—built on Anwar Ibrahim’s call with a proposal for ‘flexible engagement’. He argued that the ASEAN members could “no longer afford to adopt a non-committal stand and avoid passing judgment on events in member countries” and that therefore “intra-ASEAN relations [needed to be] more constructive than before”.⁶⁴ While the Thai proposal was “bitterly opposed by Myanmar” and all other ASEAN members except the Philippines,⁶⁵ Indonesia led a compromise proposal for enhanced interaction that laid the groundwork for a “phased adjustment of the principle” towards the realisation of flexible engagement *vis-à-vis* Myanmar.⁶⁶

An early example of the shift in ASEAN’s approach occurred in October 2004 when Aung San Suu Kyi and her supporters were attacked by government agents leading to an unknown number of deaths and Aung San

⁶⁰ David Capie and Paul Evans, *The Asia-Pacific Security Lexicon*, 2nd ed. (Singapore: Institute of Southeast Asian Studies, 2007), p. 124.

⁶¹ International Crisis Group, ‘China’s Myanmar Strategy: Elections, Ethnic Politics and Economics’, p. 8.

⁶² Australian Department of Foreign Affairs and Trade, ‘Burma (Myanmar) Fact Sheet’; International Crisis Group, ‘China’s Myanmar Strategy: Elections, Ethnic Politics and Economics’.

⁶³ Capie and Evans, *The Asia-Pacific Security Lexicon*, p. 92.

⁶⁴ Cited in Ramcharan, ‘ASEAN and Non-Interference: A Principle Maintained?’, *Contemporary Southeast Asia*, vol. 22, no. 1 (2000), p. 75.

⁶⁵ N. Ganesan, ‘Myanmar’s Foreign Relations: Reaching out to the World’, in Kyaw Yin Hlaing, Robert H. Taylor and Tin Maung Maung Than (eds.), *Myanmar: Beyond Politics to Societal Imperatives* (Singapore: Institute of Southeast Asian Studies, 2005), p. 46; Alan Collins, *Security and Southeast Asia: Domestic, Regional, and Global Issues* (Boulder, Colorado: Lynne Rienner, 2003), p. 144.

⁶⁶ Ruukan Katanyuu, ‘Beyond Non-Interference in ASEAN: The Association’s Role in Myanmar’s National Reconciliation and Democratization’, *Asian Survey*, vol. 46, no. 6 (2006), p. 830.

Suu Kyi's return to house arrest "for her protection".⁶⁷ An ASEAN Foreign Minister's statement specifically referred to the incident and "urged Myanmar to resume its efforts of national reconciliation and dialogue among all parties concerned" so as to lead to "a peaceful transition to democracy".⁶⁸ Soon thereafter, Thailand's Foreign Minister suggested that "ASEAN's willingness to talk about the matter showed that it had reached another stage of maturity".⁶⁹

Relations between ASEAN and Myanmar continued to decline during the course of the next four years. For example, the SPDC announced that they would be extending Aung San Suu Kyi's house arrest just one week before the 11th ASEAN Summit. One ASEAN Foreign Minister argued that the timing of the announcement was "a slap in the face of ASEAN".⁷⁰ Then, in 2006, Tan Sri Razali Ismail, the UN Special Envoy to Myanmar and an eminent Malaysian diplomat, resigned on the basis that "they do not want me back" as he had been denied entry to the country for 22 months.⁷¹ A further example occurred when Myanmar was placed on the agenda of the United Nations General Assembly (UNGA) in July 2006 and "ASEAN refused to defend it internationally, leaving it to Cuba as Chair of the Non-Aligned Movement (NAM) to protest against the development".⁷² Further, the Philippines and later Malaysia also indicated that they would support a possible UNSC resolution.⁷³ George Yeo, Singapore's then Foreign Minister, reflected on these developments and suggested that "ASEAN has lost the credibility and ability to defend Myanmar".⁷⁴

The September 2007 crackdown also represented a pivotal moment in ASEAN's diplomacy as it led to the strongest collective statement against an ASEAN member where the Associations' foreign ministers employed terms such as 'appalled' and 'revulsion' together with a statement where they "demanded that the Myanmar government immediately desist from the use

⁶⁷ David. I. Steinberg, 'The United States and Myanmar: A "Boutique Issue"?', *International Affairs*, vol. 86, no. 1 (2010), p. 181; Simon Montlake, 'Burma's "Black Friday"', BBC, 2004, <<http://news.bbc.co.uk>> [Accessed 21 October 2011].

⁶⁸ Added sting was imparted with the statement that ASEAN "looked forward to the early lifting of restrictions placed on Aung San Suu Kyi and the NLD members". 'Joint Communique of the 36th ASEAN Ministerial Meeting', ASEAN Secretariat, 2003, <www.aseansec.org/14833.htm> [Accessed 22 October 2011].

⁶⁹ Bhanravee Tansubhapol, 'Rangoon Tackled over Suu Kyi', *Bangkok Post*, 17 June 2003.

⁷⁰ Eileen Ng, 'Myanmar Told That Suu Kyi's Detention a Slap to ASEAN, Says Official', *Associated Press*, 11 December 2005.

⁷¹ 'UN's Burma Envoy Quits', *SBS World News*, 9 January 2006.

⁷² Jones, 'ASEAN's Albatross: ASEAN's Burma Policy, from Constructive Engagement to Critical Disengagement', p.283.

⁷³ Kavi Chongkittavorn, 'ASEAN Changes Tack to Call for UN Debate on Burma', *The Nation*, 4 July 2006.

⁷⁴ Kavi Chongkittavorn, 'Record of ASEAN Discussion Reveals "Bitterness" with Burma', *The Nation*, 25 December 2005; Vivian Ho, 'Myanmar Asks ASEAN to Oppose U.N. Security Council Resolution', *Kyodo News*, 12 December 2005.

of violence against all demonstrators".⁷⁵ Others, such as the Dean of Singapore's S. Rajaratnam School of International Studies, Ambassador Barry Desker, called for harsher action including Myanmar's suspension from ASEAN.⁷⁶ Consequently, by early 2008 ASEAN's intramural relations with Myanmar had effectively degenerated to a point of *mutual disengagement* where some senior policy makers wondered if Myanmar would simply walk away from ASEAN.⁷⁷ Further, the tougher stance undertaken by ASEAN was not without consequences as it generated tensions with the more conservative members—such as Laos, Cambodia and Vietnam—who argued that "one of our members is objecting."⁷⁸ Therefore, since late 2008 ASEAN has returned to a far more conservative position regarding Myanmar's political affairs and has also sought to redirect responsibility for international action to other actors such as China and the UN.

While aspects of various western policies regarding Myanmar have already been noted, the most fundamental component of their approach has been the country's isolation through sanctions. These sanctions include imports and investments, asset freezes, visa bans and an arms embargo. However, the EU has continued to provide humanitarian assistance⁷⁹ whereas the United States has traditionally avoided significant humanitarian aid based on the argument that it would legitimise the regime.⁸⁰ Meanwhile, despite the impact of US sanctions on industries like textiles, these sanctions have not affected the viability of the military regime due to the economic, diplomatic and strategic considerations discussed in the previous sections. However, Western sanctions have had the consequence of pushing Nay Pyi Taw closer to authoritarian countries such as China and North Korea.

⁷⁵ 'Statement by ASEAN Chair: Singapore's Minister for Foreign Affairs Geroge Yeo, New York', ASEAN Secretariat, 27 September 2007, <www.aseansec.org/20974.htm> [Accessed 22 October 2011]. While George Yeo made the statement in the capacity of the ASEAN Chair, the wording of the document had been circulated to the ASEAN Foreign Ministers and they had consented to the statement's release. As Jürgen Haacke contends, in practical terms the document represented a 'joint statement' as other Foreign Ministers had contributed amendments and it was delivered in the presence of all the Foreign Ministers except Myanmar. Jürgen Haacke, 'ASEAN and the Situation in Myanmar/Burma', in Guo Xiaolin (ed.), *Myanmar/Burma: Challenges and Perspectives* (Stockholm-Nacka, Sweden: Institute for Security and Development Study, 2008), p. 140.

⁷⁶ Yang Razali Kassim, Email, 10 January 2008; Barry Desker, 'Suspend Myanmar from ASEAN', *The Straits Times*, 4 October 2007.

⁷⁷ Ali Alatas, Advisor to the President (Jakarta), interview with author, 3 May 2006. In relation to the notion and evolution of mutual disengagement, see: Roberts, *ASEAN's Myanmar Crisis: Challenges to the Pursuit of a Security Community*, pp. 152-61.

⁷⁸ Velloor Ravi and Suk-Wai Cheong, 'Discord at the "Family Dinner"', *The Straits Times*, 21 November 2007.

⁷⁹ Alistair Cook, 'Positions of Responsibility: A Comparison of ASEAN and EU Approaches towards Myanmar', *International Politics*, vol. 47, no. 3/4 (2010), p. 443.

⁸⁰ For example, when the United States was asked to contribute to a ninety million dollar Global Fund over five years to fight malaria, tuberculosis and HIV/AIDS, the US Congress blocked any contribution. Steinberg, 'The United States and Myanmar: A "Boutique Issue"?', p. 184.

By 2009, the US Government started to publically acknowledge the negative impact of US sanctions and in February 2009 the new US Secretary of State, Hillary Clinton, admitted that “[c]learly, the path we have taken in imposing sanctions hasn’t influenced the Burmese junta”.⁸¹ While considerations like increased poverty and an opportunity to influence the nature of a possible democratic transition in Myanmar may have contributed to this admission, US officials also admitted that they were concerned about Myanmar’s relationship with North Korea.⁸² Consequently, the Obama administration conducted a formal review of its policy and announced a new approach in September 2009. While Clinton declared that the current sanctions regime would remain in place until “meaningful progress” towards democracy had been achieved,⁸³ the US Government stated that it would increase humanitarian assistance and would also establish a process of direct dialogue with the Myanmar Government.⁸⁴ Assistant Secretary of State, Kurt Campbell, summarised the reasoning behind the new approach:

Burma’s continued estrangement from the international community harms the country and has direct negative consequences beyond Burma’s borders. Burma’s engagement with the outside world has the potential to encourage new thinking, reform and participation in the work of the international community.⁸⁵

The new position of the United States represents a significant departure from the diplomacy of the Bush administration and its characterisation of the SPDC as an “outpost of tyranny”.⁸⁶ Further, the new US policy of ‘practical engagement’ embodies a step towards ASEAN’s notion of ‘flexible engagement’. Nonetheless, the US position remains “far less than the anti-sanctions advocates wanted and far more than most of the expatriate Burmese community and the human rights groups desired”.⁸⁷ Despite the objections of this latter group, in reality the Obama administration has continued to direct significant pressure towards the junta. One example includes support by Hillary Clinton to establish a UN backed investigation of alleged ‘crimes against humanity’.⁸⁸ Further, US foreign policy remains hamstrung by human rights groups and exiled Burmese who have the

⁸¹ ‘Burma’s Clenched Fist: Is It Time for the United States to Reach out to the Junta?’, *The Washington Post*, 20 February 2009.

⁸² Kelley Currie, ‘Burma’s North Korea Gambit’, *The Wall Street Journal*, 17 March 2010; John Pomfret, ‘U.S. Strives to Check Burma’s Military Trade with N.Korea’, *The Washington Post*, 4 March 2010.

⁸³ ‘Clinton Says No US Pressure on Myanmar but Sanctions Stay Pending Democratic Progress’, *The Canadian Press*, 11 November 2009.

⁸⁴ Frank Frost, ‘Burma/Myanmar: Internal Issues and Regional and International Responses’ (Canberra: Parliament of Australia, Department of Parliamentary Services, 2009), pp. 8-9.

⁸⁵ Brian McCartan, ‘US Takes a Radical Turn on Myanmar’, *Asia Times*, 30 September 2009.

⁸⁶ Steinberg, ‘The United States and Myanmar: a “Boutique Issue”?’, p. 175.

⁸⁷ *Ibid.*, p. 191.

⁸⁸ Lachlan Carmichael, ‘Clinton Backs UN Probe on Myanmar Rights’, *Agence France Presse*, 29 October 2010.

support of key US Senators in upholding US sanctions against Myanmar.⁸⁹ The EU, by contrast, has started to relax its own sanctions regime and in April 2011 it suspended travel and financial restrictions against four ministers—including the Foreign Minister—and 18 vice-ministers of the new government.⁹⁰ While a mix of strategic considerations and political developments in Myanmar have contributed to the relaxation of some EU sanctions, together with greater dialogue by the United States, the practical effect has been to increase the number of issues areas where a common international approach (i.e. consensus) will be feasible.

An example of an effective and common international approach to Myanmar concerns ASEAN's response to Cyclone Nargis. Despite ASEAN's return to a more cautionary and quiet form of diplomacy, ASEAN was able to establish the Tripartite Core Group (TCG) within which the Association served as an intermediary between the SPDC and the international community in the delivery of aid. This was no easy feat but certain countries, such as democratic Indonesia, were still prepared to apply significant diplomatic pressure on an individual basis when necessary.⁹¹ While such pressures occurred behind closed doors (i.e. as per ASEAN's principle of 'quiet diplomacy'), ASEAN was able to overcome various objections by the *tatmadaw* concerning the presence of foreign aid workers in its territory. Here, the depoliticisation of the delivery of aid was highly effective and many lives were saved when, after the 24 May referendum on the new Constitution, foreign aid workers were finally permitted into the Ayeyarwady delta. Thus, the success of TCG demonstrates that it is possible to at least work with the Myanmar Government in the delivery of aid and assistance at the grassroots level.⁹²

The manner by which different international approaches to Myanmar have evolved provides some limited space for greater collaboration and coordination concerning policies for engagement and the delivery of increased humanitarian assistance. Recent developments in these international approaches have also demonstrated that it is possible to build a

⁸⁹ Ian Holliday, 'Extending a Hand in Myanmar', *Dissent* Spring (2011): p.16, 'Rights Groups Seek Tougher Myanmar Sanctions', *Saudi Press Agency*, 8 July 2011, Jan Zalewski, 'US House of Representatives Approves Renewal of Sanctions on Myanmar', *IHS Global Insight*, 21 July 2011.

⁹⁰ Tim Johnston, 'EU Relaxes Curb on Burmese Ministers', *Financial Times*, 12 April 2011.

⁹¹ Thus, when ASEAN's diplomacy met resistance from the SPDC, Indonesia's Foreign Minister "leaned across the table and asked the Foreign Minister of Myanmar what he thought ASEAN membership meant to Myanmar and what—at that time and in those circumstances—Myanmar's membership meant to ASEAN ... in terms of ASEAN's internal coherence, international profile and its membership's shared vision for the future". Correspondence with Ambassador, Singapore, 21 January 2009. According to this Ambassador, the clear implication of the statement was that Myanmar's membership in ASEAN was on the line. Ibid. See also 'Transcript of Minister for Foreign Affairs George Yeo's Interview with Dow Jones on 16 July'.

⁹² International Crisis Group, 'Burma/Myanmar after Nargis: Time to Normalise Aid Relations', p. i.

consensus concerning stronger diplomatic pressure in response to the most oppressive and/or brutal actions by Myanmar's military and government. While contemporary UN statements, *inter alia*, have signalled that there are limits to which the Burmese Government can rely on China or other strategic allies for diplomatic support, it is also important to reiterate that authoritarian countries, such as China, will not be prepared to pressure Myanmar towards the adoption of a substantive form of democracy. Thus, in the absence of their cooperation with key Western powers and amidst continued trade, investment, aid and military support to Myanmar, the international community lacked the cohesion and leverage to *force* Myanmar's political elite to undertake the political changes that have occurred since 2008. Given this, together with an increased awareness (even consensus) about the limitations of foreign policy approaches seeking to isolate the government, the next section considers some of the impetuses behind recent political reforms and whether they have the potential to improve the quality of governance in Myanmar. In so doing, the section also seeks to elaborate on the implications of these changes for future international approaches.

Domestic Developments and International Implications

The three major political developments since 2008 involve the finalisation of a new Constitution (May 2008), the holding of the first national elections in twenty years (November 2010) and the opening of a new parliament (January 2011). Here, a relatively pessimistic interpretation might argue that these reforms have been designed to deflect international criticism through the provision of a democratic facade. If successful, Myanmar's leadership could then keep the international community divided and/or reduce Western pressure against the regime. Meanwhile, this democratic pretence would enable the military to focus on economic development in order to gain the domestic legitimacy necessary to maintain indefinite power. Certainly, many components of the reform process lend support to such an interpretation. For example, the new Constitution reserves 25 percent of the upper and lower house seats for the military. Moreover, in November 2010, the military gazetted the Myanmar Reserve Forces Act which enables recently retired military personnel—including former President Than Shwe—to remain a member of the 'reserves' thereby providing a mechanism through which they could potentially return to office.⁹³ The role of the military was also reinforced by the events leading to and during the November 2010 elections. Amidst a boycott of the elections by the NLD, the military backed Union Solidarity and Development Party (USDP) won 58 percent of the vote.⁹⁴

⁹³ International Crisis Group, 'Myanmar's Post Election Landscape' (Jakarta/Brussels: International Crisis Group, 2011), p.7.

⁹⁴ Sean Turnell, 'Myanmar in 2010: Doors Open, Doors Close', *Asian Survey*, vol. 51, no. 1 (2011), p. 149.

Despite the manner by which the military has secured its influence in the government, recent actions and rhetoric indicate that it has also been motivated by some more altruistic considerations including a realisation that a better model of governance is necessary to secure the country's future.⁹⁵ For example, the new Constitution establishes a Financial Commission that utilises "advice from financial experts" and will be under the control of the president.⁹⁶ While this could lend support to the previous hypothesis, further *bone fide* reforms were also evident in the human rights chapter which includes prohibitions against discrimination, forced labour and human trafficking as well as a commitment that "every citizen is equally entitled to freedom of conscience and the right to freely profess and practice religion".⁹⁷ More broadly, the extensive 194 page Constitution has the potential to improve the political environment through the dispersal of state power, an associated separation of powers, and the provision of considerable authority for the President who is selected by a majority vote from both houses of parliament.⁹⁸ Significantly, the constitution also contains a mechanism for amendment but it requires support from seventy-five percent of the parliament.⁹⁹

Given the level of effort and resources invested in the Constitution, together with its more liberal components, any analysis of Myanmar should not entirely dismiss the potential for some progressive leadership. In this regard, some optimism can be drawn from the fact that the military elite have demonstrated a degree of responsiveness to Western concerns. For example, Myanmar has accepted foreign envoys including (between August 2009 and May 2011) five US senators and diplomats which were all granted access to Aung San Suu Kyi.¹⁰⁰ Meanwhile, in an attempt to improve its relations with the United States, the SPDC was quick to provide rhetorical

⁹⁵ However, this is subject to the caveat that political and economic reforms do not imperil the security of the *tatmadaw*. The centrality of this caveat to the thinking of the *tatmadaw* is evident in provisions of the constitution and other developments discussed further below.

⁹⁶ Here, the provisions of the constitution are also notable for the absence of any institutional participation of the military. International Crisis Group, 'Myanmar's Post Election Landscape', p. 9.

⁹⁷ Aside from a protection of property rights, a further provision prohibits any citizen from being held in "custody for more than twenty-four hours without the permission of the court". 'Constitution of the Republic of the Union of Myanmar' (Printing and Publishing Enterprise, Ministry of Information, 2008), sections 345-390.

⁹⁸ For example, the constitution vests the President with the power appoint a cabinet together with state and regional governments. The President also has the authority to recommend and appoint the commander-in-chief of the defence services but his nomination is subject to the approval of the largely military controlled National Defence and Security Council. *Ibid.*, section 342.

⁹⁹ There is also a further caveat for issues considered sensitive to the military—such as military representation in the legislative assemblies—where, in addition to parliamentary approval, such proposals will have to be approved through a nationwide referendum.

¹⁰⁰ Meanwhile, in contrast to North Korea, Myanmar has also remained relatively open for the purpose of both tourism and scholarly fieldwork. Sian Powell and Richard Lloyd Parry, 'Senator Jim Webb Secures Release of John Yettaw from Burma', *The Times*, 16 August 2009.

support for the US-led 'war on terror' and allowed US' bombers free passage through Myanmar's airspace on their way Afghanistan.¹⁰¹ Myanmar's military also attempted to reach out to the West by releasing Aung San Suu Kyi from house arrest in May 2002; dramatically reducing the level of opium production relative to the levels of the 1990s; and reaching "agreements with the International Labour Organisation (ILO) to end the practice of the use of unremunerated labour and establish an ILO presence in the country."¹⁰² Therefore, despite the inability of Western sanctions to either undermine the stability of the *tatmadaw* or force change, recent political reforms may be a consequence of both domestic considerations together with some desire to normalise relations with the West.

Regardless of the motivations behind the junta's actions,¹⁰³ the historical record in other countries indicates that even a minute opening of the political and economic environment can, in the long-term, take a life of its own. Such outcomes have occurred in Taiwan, South Korea and more recently Singapore.¹⁰⁴ In the context of Myanmar, some tentative improvements have already started to emerge since the elections. For example, two key developments concern the opening of parliament on 31 January 2011 and the selection of Thein Sein as the new president. According to the International Crisis Group, Thein Sein "is regarded as relatively capable, approachable and non-corrupt".¹⁰⁵ Interestingly, he has acknowledged problems with how the military has previously managed the country and has promised greater transparency and accountability in government.¹⁰⁶ In this context, certain parliamentary debates have resulted in positive outcomes while opposition members of parliament have already publically asked

¹⁰¹ Robert H. Taylor, 'Myanmar: Reconciliation or Reconsolidation? Isolation or Resolution?', *Asian Affairs*, vol. 40, no. 2 (2009), pp. 213-4.

¹⁰² As Robert Taylor notes, the failure of the West to recognise any of these efforts undermined the moderates within the *tatmadaw's* leadership and this, potentially, culminated in the sudden removal of Prime Minister Khin Nyunt in October 2004. *Ibid.*

¹⁰³ While this paper has attempted to outline some of the factors that may have motivated Myanmar's political and military elite, it has not attempted to provide a conclusive determination. This is because Myanmar is an extremely opaque country and some of the information in circulation is wildly inaccurate. Even under the best of conditions, Hans Morgenthau argues that any attempt to exclusively consider the *individual motives* of state actors behind foreign policy and leadership decisions is futile and deceptive because motives are the most elusive of psychological data and are frequently beyond recognition. Hans Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, 4th ed. (New York: Alfred A. Knopf, 1967), p. 161.

¹⁰⁴ David I. Steinberg, 'Myanmar: The Roots of Economic Malaise', in Kyaw Yin Hlaing, Robert H. Taylor and Tin Maung Maung Than (eds.), *Myanmar: Beyond Politics to Societal Imperatives* (Singapore: Institute of Southeast Asian Studies, 2005), p. 88.

¹⁰⁵ International Crisis Group, 'Myanmar's Post Election Landscape', p. 4.

¹⁰⁶ Jim Della-Giacoma, 'New Tactics Needed in Burma', International Crisis Group, 2011, <www.crisisgroup.org> [Accessed 26 May 2011]. Thein Sein also argued that the role of the media needs to be respected as the 'fourth estate' in society. Wai Moe, 'Signs of Change in Burma's Medial Landscape?', *The Irrawaddy*, 29 April 2011

questions about political prisoners.¹⁰⁷ Interestingly, a May 2011 ‘amnesty program’ led to the release of 34 political prisoners and a further 220-270 political prisoners were released in October.¹⁰⁸

However, some equally significant developments have involved Aung San Suu Kyi and her political party—the National League for Democracy. On 13 November she was released from house arrest and, following an amendment to the country’s elections laws in November 2011, Aung San Suu Kyi announced that she and her party will be registering to run in the next election.¹⁰⁹ Given this general trend, the US State Department acknowledged that the new government in Myanmar had become more ‘reformist’ and ‘open minded’.¹¹⁰ This statement was followed by the arrival of Hillary Clinton in December 2011—the first visit by a US Secretary of State in fifty years.¹¹¹ Unsurprisingly, however, she informed the new government that it was too soon to end US sanctions.¹¹² Meanwhile, various responses within China concerning recent US diplomacy with Myanmar have been equally predictable. According to the *Global Times*, a Chinese state-controlled tabloid, ‘China has no resistance toward Myanmar seeking [an] improved relationship with the West, but it will not accept this while seeing its interests stamped on.’¹¹³

Despite the many flaws in the new political system, the introduction of more technocrats and other related developments (e.g. the Financial Commission) will help to generate a process of decision-making that is “less ad hoc, less idiosyncratic, potentially more coherent and possibly more effective”.¹¹⁴ Furthermore, the junta “will now have to deal with political parties, a parliament, and even possibly a presidency whose occupant may not fully agree with the military leaders”.¹¹⁵ Ironically, a number of ostensibly ‘negative’ provisions in the Constitution act to simultaneously strengthen the potential for some of the more optimistic outcomes hypothesised in this article. For example, the Constitution provides an extensive set of provisions that excludes the military from judicial authority where Section 204(b), for example, vests the National Defence and Security Council (NDSC) with the authority to recommend to the President the provision of amnesty for military personnel. Not only do these provisions reveal that the military elite are

¹⁰⁷ For example, a series of questions concerning the slow registration process for non-governmental organisations reportedly led to the sudden approval of twenty-five applications. *Ibid.*

¹⁰⁸ Wai Moe, ‘Burma’s Amnesty Program Receives Widespread Criticism’, *The Irrawaddy*, 19 May 2011; ‘Myanmar’s Year of Hopeful Change’, *IJSS Strategic Comments*, 15 November 2011.

¹⁰⁹ ‘Suu Kyi Plans to Run in Myanmar Elections’, *Channel News Asia*, 1 December 2011.

¹¹⁰ Lahit K Jha, ‘New Burmese Government ‘Reformist and Open-minded’: US’, *The Irrawaddy*, 7 October 2011.

¹¹¹ ‘Clinton to Push Reform in Historic Myanmar Talks’, *Channel News Asia*, 1 December 2011.

¹¹² ‘US Offers Myanmar First Rewards for Reforms’, *Channel News Asia*, 1 December 2011.

¹¹³ ‘Myanmar Tips Balance But Not Too Far’, *Global Times*, 30 November 2011.

¹¹⁴ International Crisis Group, ‘Myanmar’s Post Election Landscape’, p. 5.

¹¹⁵ Englehart, ‘Giving up the Burma Fantasy’, p. 13.

genuinely concerned about the potential for recent reforms to threaten their personal security, but they conversely indicate some authenticity in an attempt to (a) implement a limited dispersal of power, (b) adhere to the provisions of the constitution, and (c) thereby respect the 'rule of law'—however negatively defined. Consequently, the new political system does represent a concession and the new government could justifiably argue that it is relatively more democratic than many other Asian states with which the West readily engages and trades.

Meanwhile, the mere opportunity for the ASEAN Governments to argue that the situation in Myanmar has improved has likely led to a collective sigh of relief as it will help to reduce a recent source of intramural tension. Thus, not only did ASEAN welcome the elections as a "significant step forward" but its foreign ministers were also quick to call for an end to sanctions.¹¹⁶ As noted, China has similarly welcomed the elections and the situation has been rendered even more complicated by the fact that some 'independent' and 'democratic' members of the new parliament's opposition have called for an end to sanctions.¹¹⁷ Consequently, there is even less prospect of garnering the level of international unity necessary to force further political change as the level of oppression in Myanmar has fallen below the threshold that has been historically necessary for collective international action. Given these dynamics, the softening of Western approaches to Myanmar is justified. This is because Myanmar's strategic partnerships and current trade relations mean that further strong-arm tactics by the West—e.g. the proposed investigation of 'crimes against humanity'—will fail to achieve the desired results. Furthermore, this kind of coercive diplomacy may in fact impede progress inside Myanmar by generating nationalistic backlashes and exacerbating an already existent sense of paranoia about foreign interference.¹¹⁸ Such an outcome could also affect an assessment by Myanmar's political elite about the feasibility and merit of seeking to normalise relations with the broader international community in the future.

At the grassroots level there is a further imperative as to why broad-sweeping economic sanctions¹¹⁹ and isolation from aid needs to be reassessed. As the country's natural resources and major businesses are

¹¹⁶ 'ASEAN Calls for Lifting of Sanctions', *The Myanmar Times*, 24 January 2011; 'ASEAN Chair Issues Statement on Myanmar Elections', ASEAN Secretariat, 2011, <<http://www.asean.org/25580.htm>> [Accessed 20 July 2011]; Abdul Khalik and Andi Haswindi, 'Time to Lift Sanctions on Myanmar, ASEAN Says', *The Jakarta Post*, 17 January 2011.

¹¹⁷ Further, the Ethnic Nationalities Council of the Union of Burma also submitted letter to the US Senate urging engagement with the Myanmar Government. Ganesan, 'Myanmar-China Relations: Interlocking Interests but Independent Output', p. 102.

¹¹⁸ For a thorough review of this point see Andrew Selth, 'Even Paranoids Have Enemies: Cyclone Nargis and Myanmar's Fears of Invasion', *Contemporary Southeast Asia*, vol. 30, no. 3 (2008), pp. 379-402.

¹¹⁹ Here, the paper distinguishes between broad-sweeping sanctions and 'targeted' or 'smart' sanctions. Targeted sanctions include such things as visa bans and the freezing of financial accounts of targeted elites.

largely controlled by either the government or have been sold to the military elite at below market value,¹²⁰ recent increases to the level of trade and investments in these sectors have done little to improve the plight of Myanmar's people in general. For example, the country's developmental problems have been further exacerbated by the fact that the proportion of total government expenditure is only 4.3 percent on education and 1.3 percent on health.¹²¹ This economic mismanagement, together with international neglect in terms of aid, has meant that the health and education sectors have deteriorated to a point where they are on the brink of collapse.¹²² The absence of basic health services will have long term humanitarian implications—e.g. the spread of disease and further refugees. Meanwhile, the collapse of the education sector contributes to a national brain drain and a vicious cycle of ever-deepening poverty. Moreover, the absence of an independent educated class acts to reinforce the country's long term dependence on the military which, in turn, undermines the potential for alternative sources of leadership. Despite the implications of poor health and education, together with low levels of development more broadly, Myanmar continues to receive far less Official Development Assistance (ODA) than other authoritarian countries in ASEAN—such as Laos and Vietnam—and more than sixty-five times less than that of Timor Leste.¹²³

Myanmar's longstanding isolation from aid is counterintuitive because one of the greatest obstacles to political liberalisation and stability is poverty.¹²⁴ Therefore, Western nations should utilise recent political reforms inside Myanmar as an opportunity (and a justification) to seek greater coordination with Asia (e.g. Japan and ASEAN) for the purpose of delivering humanitarian aid.¹²⁵ Meanwhile, the evolving situation in Myanmar could potentially enable stronger engagement concerning capacity building programs that

¹²⁰ Economist Intelligence Unit, 'Country Report: Myanmar (Burma)', p. 10.

¹²¹ 'Military Spending Takes a Large Share of the New Budget', *Economist Intelligence Unit*, 1 April 2011.

¹²² Ardeth Maung Thuwngmung, 'Burma: A Gentler Form of Authoritarianism', *Foreign Policy*, no. 139 (2005), p. 39.

¹²³ Christopher B. Roberts, 'Myanmar and the Argument for Engagement: A Clash of Contending Moralities?', *East Asia: An International Quarterly*, vol. 23, no. 2 (2006), p. 47.

¹²⁴ As a former US charge d'affaires to Myanmar has argued, "economic reform will be a key to the success of the political transition in Burma". She also warns that "if the country continues its current descent into predatory crony capitalism, under which wealth is held only by a small upper layer of privileged society, resentment will fester and problems will rise". Lalit K Jha, 'Than Shwe Still in Control but Progress Possible: Former US Envoy', *The Irrawaddy*, 19 April 2011.

¹²⁵ On this point, see the arguments of the United Kingdom's Department for International Development. Martin T. Smith, 'Ethnic Politics and Regional Development in Myanmar: The Need for New Approaches', in Kyaw Yin Hlaing, Robert H. Taylor and Tin Maung Maung Than (eds.), *Myanmar: Beyond Politics to Societal Imperatives* (Singapore: Institute of Southeast Asian Studies, 2005), p. 74.

target security sector reforms and improved economic management.¹²⁶ Such international programs would also need to target the professionalisation of personnel in the military and key government sectors whilst simultaneously exposing the country's political elite to new thinking in relation to human rights and civil liberties.¹²⁷ Here, increases to the number of international scholarships, such as the Australian Leadership Awards, may also be useful. Furthermore, ASEAN should accept Myanmar's request to chair the Association in 2014 as this will provide added incentives for responsible governance; it will generate increased transparency about the situation inside the country; and lead to additional exposure to alternative ideas, norms and values.¹²⁸ While future approaches to Myanmar should seek active involvement from China and India, actual progress towards political liberalisation (and a subsequent rapprochement with the West) will likely detract from Beijing's willingness to participate as such headway will conflict with Beijing's own political and strategic interests.

Conclusions

The manner by which key partners—such as China and India—have forged trade, investment and military relations with Myanmar has all but ensured the continued viability and security of the *tatmadaw* and its associated political parties. Consequently, Western attempts to sanction and isolate the military have not significantly improved the country's political environment. However, Western isolation has contributed to increased poverty rates and undermined both the health and education sectors. Nonetheless, the implementation of a new Constitution and the formation of a parliamentary system have provided some limited scope for an improvement to the quality of governance in the country. Here, there are newly institutionalised structures, mechanisms and protections with the potential to improve the political and social climate whilst also facilitating a parliamentary mix that could eventually become more democratic. In this context, a more diverse mix of political actors has already emerged and these range from possible moderates in the governing party (USDP) to democratically minded opposition members. While many problems remain—such as the continuation of authoritarian practices and significant corruption—the

¹²⁶ Roberts, *ASEAN's Myanmar Crisis: Challenges to the Pursuit of a Security Community*, pp.34-42. For a general analysis of the domestic and regional consequences of weak state capacity (i.e. low internal consolidation) see: Christopher Roberts, 'ASEAN Institutionalisation: The Function of Political Values and State Capacity', *RSIS Working Paper Series*, no. 217 (2010), pp. 1-23.

¹²⁷ The implementation of such programs is not impossible as they have been conducted by Australia and continue to be conducted by Singapore. Barry Desker and Christopher Roberts, 'Myanmar: Prospects and Challenges of Engagement', in Brian L. Job and Erin Williams (eds.), *Security Through Cooperation: CSCAP Regional Security Outlook (CRSO)* (Singapore: CSCAP, 2008), p. 35; David Kinley and Trevor Wilson, 'Engaging a Pariah: Human Rights Training in Burma/Myanmar', *Human Rights Quarterly*, vol. 29, no. 3 (2007), pp. 368-402.

¹²⁸ Desy Nurhayati, 'RI to Help Make Tough Choice on Chair Bid', *The Jakarta Post*, 19 July 2011.

nascent political transition to date provides an opportunity to engage some comparatively moderate political actors. Such engagement may, in the process, create new opportunities to broaden the political space within which the more moderate and/or democratically disposed political actors can operate.

Although the analysis did reveal that there are limits to which the Myanmar Government can rely on China's diplomatic protection, such caveats only apply to the most brutal political and human rights abuses that have occurred *en masse*. This is because the new political climate has now reduced (but not eliminated) the likelihood of violent episodes on par with the September 2007 crackdown. Given these circumstances, together with (a) increased strategic and trade competition between China and India and (b) continued intramural divisions in ASEAN, the West will not be able to persuade China, India or ASEAN to implement common coercive measures—i.e. sanctions. Therefore, the international community lacks the cohesion to *force* Myanmar's political elite to undertake significant political reforms beyond what has already occurred. Consequently, political progress and reconciliation in Myanmar will be largely dependent on developments inside the country (i.e. bottom-up processes) and the only constructive option for the international community is to indirectly nurture the political space for a more liberal society to gradually flourish. Accordingly, broad-sweeping sanctions should be removed while the benchmarks for the removal of targeted sanctions (e.g. asset freezes) should be reassessed. These new benchmarks should be feasible, transparent and incremental so as to assure the Myanmar Government that meaningful benefits can be gained from a rapprochement with the West and other democratic nations—e.g. Indonesia and Japan.

Given the domestic and international undercurrents behind the Myanmar dilemma, there is little choice but to embrace the opportunities for engagement that stem from the new parliament. The potential to consolidate this kind of direction has been reinforced by the softening of Western approaches to Myanmar and the constructive role that ASEAN has played in recent years. Furthermore, the more nuanced diplomacy of the West also has the potential to generate greater international collaboration concerning the delivery of more substantial humanitarian assistance. Therefore, ASEAN's establishment of the TCG following Cyclone Nargis could serve as a potential model for the independent (and monitored) delivery of future humanitarian assistance. Such an approach would have the added advantage of generating greater international unity and empowering ASEAN in a way that also increases the Association's investment in the future of Myanmar. Furthermore, a renewed international program for engagement which, to the extent that is feasible, focuses on the professionalisation of the political elite whilst utilising aid to support education, health and economic development more broadly, will also help Myanmar to become less dependent on countries such as China and North Korea. During the

process, the country's political elite will also be exposed to alternative ideas and values with the potential to gently nurture the seeds of a more liberal, humane and stable society.

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