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Myanmar and the Argument for Engagement:
A Clash of Contending Moralities?

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Institute of Defence and Strategic Studies
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With Compliments

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ABSTRACT

The domestic environment of Myanmar, in the wake of half a century of civil war and instability, has not shown any sign of an improvement. The Generals remain in control; the health and education systems are collapsing; and the people in the borderlands live under some of the worst conditions of poverty imaginable. Meanwhile, a clash of contesting moralities has emerged through a growing fissure (at least until recently) between those in favour of engagement (ASEAN) and those wanting to isolate and sanction (the West). Of these contesting moralities the most damaging has been economic isolation. Today, Myanmar receives less Official Development Assistance (ODA) per capita than any other developing country in East Asia. Laos, by contrast, is arguably better in terms of governance yet it receives nineteen times more ODA per capita. Nevertheless, during the course of the past two decades neither engagement nor isolation has produced a tangible shift towards better governance and/or democracy. Through an analysis of the consequences of isolation and instability in Myanmar this paper argues that the international community needs to overcome its policy divide by embracing a combination of diplomatic pressure and targeted engagement designed to enhance, in the long-term, the security and stability of Myanmar and its people. Given the dire nature of the economy in Myanmar, large scale aid packages designed to alleviate the humanitarian crisis and also build the capacity of the state need to be implemented. For the purpose of capacity building and engagement, broad sweeping sanctions targeting the economy in general should be abolished while targeted sanctions (directed at the leadership) should have clear benchmarks for their removal. While the idea of even limited engagement may be repugnant to some; the analysis will show that the ‘middle path’ advocated by this paper represents the best sustainable option to resolve the crisis in Myanmar.

Christopher Roberts is a visiting associate at IDSS. Having completed a Bachelor of Social Science (Political Science) in 2000 he commenced an MA (Asian Studies) program at the University of Southern Queensland. In the midst of the MA, he enrolled at the Australian National University where he completed the Australian National Internship Program and worked with Dr. Paul Taloni in the Strategic and International Policy Division of the Australian Department of Defence. He is currently in the midst of a full PhD Scholarship under the supervision of Professor James Cotton through the University of New South Wales. His dissertation is entitled: ‘ASEAN’s Security Community Project: A Critical Analysis of the Dynamics behind Peace and Domestic Stability!’ One year into this candidature Christopher received the prestigious ‘Endeavour Australia Cheung Kong Award’. He has utilized the generous research grant provided by this award to conduct field-trips – including in-depth interviews and more than 500 surveys – throughout most of Southeast Asia. The preliminary results of this research have resulted in the publication of two commentaries at IDSS entitled, ‘China and the South China Sea: What Happened to ASEAN’s Solidarity?’ and ‘The ASEAN Charter: A Crossroads for the Region?’ The latter was reprinted in the Straits Times and the Korea Herald.
Myanmar and the Argument for Engagement:  
A Clash of Contending Moralities?

Christopher Roberts.¹

To sanction or to engage; to provide aid or to isolate: these are the key dilemmas to which governments, corporations, international organisations and non-governmental organisations (NGOs) are faced with when considering the Myanmar issue. Given the contending foci of actors such as the United States – with an almost dogmatic adherence to its stated goals of ‘democracy’ and ‘regime-change’ – and those who look to the deleterious affects of isolation and sanctions at the communal level; the actual polarity in the debate, along with the short and long-term implications of taking such a view, can be characterised as a set of ‘contending moralities’. The arguments for and against these contending moralities are exceptionally complex in nature and cover a diverse range of issues including, but not limited to: cultural relativism; moral relativism; political ideology; historical institutionalism; state capacity; human rights, human security and the ethics of engagement and aid. Nevertheless, following seventeen years of attempted isolation and sanction by the major Western states; policy makers, analysts and the country’s citizens have been left with a stark reality: the quality of governance and the prospects for change in Myanmar – if anything – have declined for the worse. This paper seeks to provide an empirical understanding of why instability continues together with a preliminary analysis on the recommended direction that the international community should take in order to reduce the level of instability and implement some degree of good governance in Myanmar.

Based on a pragmatic and cautious assessment of the considerations raised by the analysis it is argued that there is a need for greater aid and targeted engagement in Myanmar. The long-term failure of isolationist policies to produce tangible results can be attributed, in part, to a lack of understanding by policy makers of, on the one hand, the dynamics that keep Myanmar’s regime in power; but on the other, those that

¹ The author would like to thank IDSS for the opportunity to present a preliminary seminar on this topic in September 2005. It is in consequence of the seminar, and the feedback I received, that the present paper has been formulated. The author would also like to thank Professor James Cotton for his continued support and assistance as academic supervisor together with the Endeavour Australia Cheung Kong Award and the School of Humanities and Social Sciences at the Australian Defence Force Academy for their funding of my research – without which none of this would have been possible.
contribute to domestic instability, weak-governance, and insurgency. Further, the arguments of some analysts and academics, along with most activists and western policy makers, have been based on subjective (and sometimes one-sided) assessments of the role of Myanmar’s government in transnational crime and human rights abuse. Some of these assessments have sought to paint a black and white picture of the problem and to cast the regime in terms of ‘good’ or ‘evil’ – usually the latter! As will be seen, such an analysis ignores – at the expense its analytical integrity – the complex relationship between ‘regime choice’ and ‘regime capacity’. In reality, while many of the elites in power have been complicit in a broad range of human rights abuses and associated issues of corruption to which they have been accused of; the internal dynamics of the country render any policies aimed at leadership change in the short to mid-term unrealistic. The implementation of true reform that simultaneously maintains (or strengthens) the precarious degree of stability currently existent in Myanmar today (including that between the various ethnic groups) will only arise through a complex and diverse set of policies targeted towards building the capacity of the state (including its civil society) over the long-term. Finally, and while much of the scholarly literature has focused on the issue of sanctions, the reality is that it is long-term diplomatic and economic isolation that has had the most destructive impact on the level of human security and the long-term prospects for positive change in Myanmar.

In terms of structure, the paper first provides a brief synopsis of the internal and transnational consequences of domestic instability within Myanmar. Aside from a brief outline of the poverty and living conditions extant throughout Myanmar and the border areas; the section commences with an outline of some of the major human

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3 By contrast, Alexander Downer (an example of one Western state in dissent) has stated that in the opinion of the Australian government sanctions do not serve any viable purpose in Myanmar. Neil Englehart, "Is Regime Change Enough for Burma," Asian Survey 45, no. 4 (2005): pp.642-43. The program was terminated following the re-arrest of Aung San Suu Kyi in 2003.

4 This is not to say that sanctions are irrelevant (the issue is in fact discussed within this paper) but simply that their effect is secondary to the role of diplomatic isolation and minimal economic aid.
rights violations that are committed on an almost daily basis. The paper then shifts its focus to an examination of how the government has responded to the various insurgency movements along its borders and how the subsequent ceasefire arrangements have further exacerbated the quantity and extent of human rights violations and lawlessness in the borderland areas. The consideration by this paper of how instability in Myanmar has affected the people is important as the majority of scholarly literature in favour of engagement, to one degree or another, has avoided this touchy subject. The section finishes with a brief consideration of how the international community has responded to this instability together with the alternative approaches to Myanmar as reflected by ASEAN and the West. The second section builds on the analysis by focusing on why the policies of the US and the EU have not resulted in any positive developments inside Myanmar thus far. The analysis here continues its consideration of factors relevant to the capacity of the state, the goals of the regime in power and the factors behind its continued survival. The section concludes by offering some policy suggestions on how future approaches might better address the problem of Myanmar in the long-term.

In conducting the research for this paper it has not only been difficult to delineate what the government can realistically achieve; but, and due to the inaccessibility of the border areas, it has also been difficult to ascertain fact from fiction.5 Nevertheless, an assessment over whether to engage or isolate can be made with relative clarity and certainty through an analysis that is detached from subjective emotion – not to mention bias – over the consequences of instability together with the ideals of Western and developed states.6 In an attempt to prevail over these challenges and analytical risks, the author has conducted three field trips to the country and its

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6 Overtly emotive analysis and publications has been an all too common trap that this author has witnessed in the context of Myanmar – perhaps more than on any other current issue in the Asia-Pacific. The personalisation and polarity of the issues relating to Myanmar have become so pervasive that those who have sought to diligently, conscientiously and rationally put forth an argument in support of aid and engagement have been subjected to the harshest of criticism and have even been accused of the charge of ‘racism’. Interview by Author with Morton Peterson, Yangon, May 2005.
eastern border with Thailand during the course of the past eighteen months. While in
the country, field trips were undertaken to Yangon and Mandalay together with the
rural ethnic minority areas of Kyaikto, Taunggyi, Nyaung Shwe, Kalaw, Maymyo,
Hsipaw and Lashio (near the Chinese border). Additionally, the author travelled along
the Thai/Myanmar border from Mae Sot and north to Mae Sai in the Golden Triangle.
Meetings and interviews have been conducted with interlocutors ranging from those
in government, to others connected to it, as well as dissidents within the country,
NGOs, scholars and foreign embassies. During the course of the past two years the
author has also conducted in-depth interviews with policy makers and scholars in
Australia, Singapore, Cambodia, Vietnam, Malaysia, Thailand and the Philippines.

A Country in Crisis – Domestic Instability and Exogenous Responses

The imprint of poverty stamped by fifty years of political instability and civil war –
together with a similar period of economic and diplomatic isolation – has rendered
the former rice bowl of Asia the second most underdeveloped country in Southeast
Asia. However, not even this categorisation of poverty adequately reflects the stark
reality on the ground. In Myanmar, the constant cloud of ethnic conflict and
instability has rendered the distribution of poverty uneven and ethnically based. In the
Kokang, Wa and Shan ethnic minority areas, a GDP per capita of under US$100
means that these marginalised groups are not only the poorest in Asia but among the
poorest in the world. Many more ethnic groups live in these frontier areas – areas that
border with Thailand, Laos, China, India and Bangladesh – and it is here that the
worst consequences of instability and poverty can be found with the government itself

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7 Such isolation was initially the choice of the country’s leadership but within a few years of ‘opening up’ to
the world but, for a complex set of reasons including the governments response to the 1988 democracy
process, such isolation has largely been imposed by the West during the course of the past two decades.

8 The United Nation’s ‘Human Development Index’ ranks Myanmar just above Laos. International
(United Nations Development Programme, 31 January 2005 [cited 1 February 2005]); available from
ranked by the United Nations as the least developed country in the World. In 2003, a further United
Nations study ranked Myanmar the poorest country in Asia in terms of Purchasing Power Parity.

9 Martin T. Smith, "Ethnic Politics and Regional Development in Myanmar: The Need for New
Approaches," in Myanmar: Beyond Politics to Societal Imperatives, ed. Kyaw Yin Hlaing, Robert H. Taylor, and
Tin Maung Maung Than (Singapore: Institute of Southeast Asian Studies, 2005), p.73. Laos, by contrast, is
the country ranked as the most underdeveloped by the UN but its GDP per capita in 2004 was estimated
to be US$402. Laos Factsheet [Internet - News] (DFAT, 2005 [cited 2 February 2006]); available from
Acknowledging the loss of more than a million lives to ethnic violence.\textsuperscript{10} The consequences of these dynamics, together with a collapsed health system, have been dire to say the least. Compared with an average life expectancy in Singapore of 81.53 years; the average life expectancy in Myanmar is just 55.8 years of age.\textsuperscript{11}

Amidst the chaos of this instability, the country’s leadership has maintained one of the worst human rights records in the world. Many of these abuses are highly repulsive in nature as they include such violations as the forced recruitment of child soldiers, mass rape and extra-judicial killings. In the case of child soldiers, these children have been forcibly recruited into the \textit{Tatmadaw}, at least until recently,\textsuperscript{12} on a large scale to fulfil government quotas in its effort to develop a strategic (numerical) advantage in the fight against insurgent armies.\textsuperscript{13} These children are also recruited because they are more obedient and well suited to guerrilla warfare – where their small size and agility enables them to reach places other soldiers cannot.\textsuperscript{14} Further, in some rural areas and where the father in a family is absent (for whatever reason); at least one of his children must take his place to fulfil additional labor quotas imposed by the


\textsuperscript{12} Interview by Author with government spokesperson, Yangon, May 2005. According to one government spokesperson the government was better able to restrain the regional military divisions from recruiting child soldiers because there was no longer a need to continue to expand the number of personnel in the military. While many might (understandably) question the authenticity of such comments the fact that the size of the \textit{Tatmadaw} has remained relatively stable for the better part of the past decade does lend some credence to its validity.


government. The conundrum of forced labor affects all age-groups in Myanmar and these people are used for various purposes ranging between infrastructural projects to porters for the Tatmadaw. In the case of the latter, these porters have been exploited as human-minesweepers and human-shields (during the course of battle against ethnic rebels). In interview, one individual connected to the State Peace and Development Committee (the government) argued (by way of a justification) that it had attempted to stop the practice but the military found it ‘simply too difficult to function without porters’. He conceded that while the military does try to pay its porters the practice continues to involve ‘some form of coercion’. By the turn of the millennium it was estimated that over 800,000 were being forced to work on a weekly basis, in one form or another, with little to nil monetary compensation.

The SPDC has also been complicit in the forced displacement of persons. Between 1996 and 2004 more than 2740 villages were thought to have been ‘destroyed, relocated or abandoned’ with a resultant 526,000 villagers being displaced in the eastern border alone. In some instances these displacements have been carried out to satisfy contractual obligations with Thai and Chinese logging companies and in the

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18 Interview by author with government spokesperson, Yangon, May 2005.


process villagers have been reported to have been variously raped, tortured, and/or executed.\textsuperscript{22} In the context of rape, its occurrence in the absence of judicial penalty extends beyond the realm of displaced persons and the ethnic minorities. While the 750 cases of rape in the Karen and Shan states that have been documented in recent years account for a higher incidence within the borderlands;\textsuperscript{23} a recent report by the \textit{Women’s League of Burma} details a pattern of sexual violence throughout the country.\textsuperscript{24} Perhaps most disconcerting of all are reports of extra-judicial killings by the SPDC and its agents on a frequent basis. In the Shan state alone, eighty-two such murders were reported between June 2003 and August 2004.\textsuperscript{25} Various occurrences of this have been recorded on video and obtained through Thai intelligence intercepts \textit{inter alia}.\textsuperscript{26}

The combination of instability, bad governance and poor state capacity that exists in Myanmar has also negatively affected the comprehensive security of its ASEAN colleagues.\textsuperscript{27} According to the UNODC, up to twenty-four percent of all intravenous drug users in Myanmar are infected with HIV/AIDS and the country now has the


\textsuperscript{23} The 750 cases of rape are derived from the sum-total of two separate reports. For further details see: "Rape of Shan Women a Grave Concern," \textit{The Nation}, 12 August 2002, Charm Tong, "The War on Burma’s Women," \textit{The Boston Globe}, 28 June 2005.


\textsuperscript{27} Various sources predict the negative consequences for the region will continue to rise in the future. For example, and as US Assistant Secretary of State for East Asia and Pacific Affairs, Christopher Hill, states: ‘Burma’s neighbours have particular reason to be concerned, because many of the country’s growing problems will not stay within its borders’. Tod Bullock, \textit{Burma’s Regime Poses Democratic and Security Challenges} [Internet - News] (Washington File, 2006 [cited 8 February 2006]); available from http://usinfo.state.gov/admin/008/epf203.htm.
second highest rate of infection in Southeast Asia (after Cambodia). These figures are highest in the border and mining areas where such drugs are more readily available. Consequently, the spread of HIV/AIDS across and between Myanmar, Cambodia and Thailand (in particular) has been exacerbated through a combination of illegal immigrants, refugees, people trafficking and narcotics smuggling. The situation in Myanmar has also resulted in 143,474 refugees crossing into Thailand and the number of illegal immigrants is now estimated to range between 600 thousand and 1.2 million. As many as 10,000 impoverished Myanmarese women and children are now thought to be trafficked into Thailand annually. The associated spread of disease together with an estimated 50,000 ethnic minority women working as prostitutes in Thailand, inter alia, has resulted in additional societal, health and law-enforcement burdens for Thailand.

Historically, both Myanmar and Thailand have endured a long record of mutual animosity amongst one another. In the case of the Thai people, they continue to distrust the Bamar due to historical memories of a seventeenth century invasion.
Thailand and subsequent defacing of its capital and religious monuments within it.\textsuperscript{35} Today, economic opportunities in Myanmar have contributed towards markedly improved relations between the two countries at the elite level but sources of tension remain including territorial boundaries,\textsuperscript{36} border incursions by the Tatmadaw and/or the insurgent armies\textsuperscript{37} and the trafficking of narcotics. While Myanmar is presently the second largest producer of opium in the world; in recent years the government has had considerable success in reducing the total output from 1,676 metric tons (1997) to 352 tons metric tons (2003). Interestingly, 92.8 percent of this opium production was in the Shan borderlands.\textsuperscript{38} By contrast, the role of the government in curbing the production of Amphetamine Type Stimulants (ATS) or Ya-Ba (the Thai word for ‘crazy drug’) has been less successful. In the year through to 2004, ATS tablet production was estimated to have doubled to 800 million tablets.\textsuperscript{39} Up to eighty percent of these tablets are consumed in Thailand\textsuperscript{40} and the country now has at least 250,000 addicts.\textsuperscript{41} In part, the inability and/or unwillingness of the SPDC to reduce (let alone eradicate) ATS can be attributed to the nature of the government’s ceasefire arrangements that have been implemented during the course of the past two decades.

\textsuperscript{35} N. Ganesan, \textit{Bilateral Tensions in Post-Cold War ASEAN, Pacific Strategic Papers} (Singapore: Institute of Southeast Asia Studies, 1999) p.17.
\textsuperscript{36} One of the most recent territorial disputes to flare up occurred in March 2003 where the SPDC demanded that Thailand withdraw troops stationed at a strategic mountain in Doi Lang – a position that the SPDC claims to be part of its own territory. \textit{Burma Demands Troops Leave Doi Lang} [Internet - News] (The Nation, 2003 [cited 9 November 2004]); available from http://www.nationmultimedia.com/page.arcview.php3?clid=4&id=75213@usrsess=1.
The relationship that has emerged between the SPDC and the ceasefire groups is the subject of the discussion below.

The Insurgency Movements and the Ceasefire Regime

The protracted nature of ethnic conflict in Myanmar – now the world’s longest ongoing civil war – had been intensified by the limited ability of Ne Win’s military regime (and subsequently leaders) to integrate the insurgent groups into the mainstream political and legal processes of the state. By 1989, more than twenty-five separate organizations were in armed revolt against the regime and ten of these controlled so-called ‘liberated’ zones. Given this, and the bloody protests for democracy a year earlier, the SPDC was only able to maintain its grip on power through a very small thread. In order to reconsolidate its power, the SPDC undertook a strategy of mending its relations with the leaders of several insurgent groups.

The SPDC’s reconsolidation of power commenced with the signing of formal ceasefire arrangements with the Communist Party of Burma and its splinter factions – the Kokang and Wa. These early ceasefires provided the Tatmadaw with the opportunity to focus on the remaining (smaller) insurgency groups including an alliance of ethnic groups under the umbrella name of the National Democratic Front (NDF). By 1991 several of the weaker members of the NDF had given up their struggle against the SPDC and through to 1995 the Kachin Independence Organisation, the New Mon State Army and the Karenni National Progressive Party had followed suit. In 2004 the total number of ceasefire groups had accumulated to around fourteen. However, for nearly every ceasefire agreed to, smaller splinter factions formed and these new factions have continued their fight against the government.

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One of the problems with the ceasefire regime, as implemented by the SPDC, is that the government provided many of the early ceasefire groups – such as the United Wa State Army (UWSA) and the Democratic Karen Buddhist Army (DKBA) – with a level of autonomy far beyond what was necessary for good local governance. The power accorded to many of the early ceasefire groups was reflective of the desperate determination of the leadership (at the time) to survive mounting instability and growing international isolation. The autonomy afforded by the SPDC included an implicit licence to engage in large-scale narcotics manufacturing throughout much of the borderlands. In the case of the UWSA, profits from illegal activities (including the narcotics industry) have been directed, in part, to an expansion of its armed forces to 21,000 personnel – nearly double the number when the ceasefire was signed. Today, the success and scope of its operations have earned it the dubious reputation of being the world’s principle armed narcotics producer.

The UWSA is now the de facto security force along the Thai/Myanmar border. Improved relations between the SPDC and UWSA also extend to the economic realm. The SPDC has invited many of its UWSA commanders to invest in Myanmar’s mainstream economy thereby opening the doors to widespread money laundering. State immunity for the production of narcotics has also extended to the DKBA whose soldiers have been trained, financed and armed by the SPDC for the purpose of using them in military operations against the Karen National Union. Given that the strategies of the SPDC did not go far beyond that necessary to the reconsolidation of power in central Myanmar; the ceasefire regime has done little improve the quality of

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life for people in these border areas. Nonetheless, while the UWSA and DKBA are guilty of committing the same human rights abuses that were discussed in the context of the SPDC and Tatmadaw above (such as human trafficking), the same can be said for many of the remaining insurgent groups who are still technically at war with the central government.

From the perspective of the SPDC, the key dilemma in 1989 was how to maintain the unity of the country whilst maintaining power and, to this end; it was the implementation of the ceasefire regime that was considered the best available option. Furthermore, the ceasefire movement, together with the SPDC’s agreement to undertake democratic elections in 1990, reflected the relative strength of the democracy movement as led by the NLD. Unfortunately, the success of the ceasefire regime has since provided the government with the opportunity (and resources) to all but crush the NLD and its ability to form an effective alternative government.

Today, even if the government can improve on the degree of comprehensive security extant through central Myanmar; the biggest dilemma will be how to increase the

49 Kyaw Yin Hlaing, "Myanmar in 2004: Why Military Rule Continues," in Southeast Asian Affairs 2005, ed. Kin Wah Chin and Daljit Singh (Singapore: ISEAS, 2005), p.248. The only tangible benefits for the ethnic minority people’s in consequence of the ceasefire regimes relate to two developments. The first has been an overall reduction to the body count and the second relates to the improved situation in the areas now under central government control and therefore not subject to regional autonomy arrangements with ethnic minority groups. An exploration of these areas, as conducted by the author, revealed that many of the people were relatively healthy (with adequate food security) and free from substantial interference. Field trips by Author, June 2004 and May 2005.

50 Some groups have also been involved in the smuggling of small arms. "Myanmar: Aid to the Border Areas," (Yangon/Brussels: International Crisis Group, 2004), p.12.


52 Due to the oppressive actions of the junta the SPDC is now ‘a shell of its former self’. "Myanmar: Sanctions, Engagement or Another Way Forward?," (Yangon/Brussels: International Crisis Group, 2004), p.21. A further consequence of the pressure applied by the SPDC has been greater disunity within the NLD and other political parties in support of democracy. Aside from Aung San Suu Kyi, the remaining members of the NLD Central Executive committee are now in their seventies and eighties and this may have contributed to the inability of the NLD itself to engage and, where necessary, compromise with the government. Roger Mitton, How Things Look on the inside - the Democracy Party Is Not Fully United [Internet - News] (Asiaweek, 1999 [cited 15 October 2005]); available from www.asiaweek.com/asiaweek/99/0716/nat5.html.
level of comprehensive security existent in both the ‘autonomous zones’ and remaining insurgent areas. The only possible avenue for successfully accomplishing this task without committing a direct breach of the ceasefire arrangements appears to be through the stated goal a new constitution that would allow for the imposition of laws and civil administration by an elected government with a country-wide mandate.$^{53}$ Nonetheless, and regardless of whether effective measures to combat human rights abuse will require a breach of the ceasefire agreements (and the autonomy granted by them), the ability and desire of the government to implement them will only arise from an increase to the capacity of the SPDC’s political institutions and security sector apparatus over the mid to long-term.

**Contending Policies between Isolation and Engagement: Irreconcilable Dichotomies?**

The EU and US reacted to these human rights abuses by imposing both targeted and (in the latter case) broad sweeping sanctions. The targeted sanctions involve such things as a visa ban and assets freeze for members of the regime and its supporters along with the tightening of an arms embargo. Additionally, the EU and US have severely restricted their aid to the country.$^{54}$ In the case of the US, its sanctions regime also includes broad-sweeping measures including a prohibition against imports from Myanmar and against the export of financial services to the country (including all new investments by US firms and nationals). Since 2003, there has been an estimated loss of at least 100,000 jobs (predominately in the textiles industry).$^{55}$ Related to this has been the removal by the EU of its preferential tariffs system with

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$^{53}$ In relation to the importance of a new constitution, and as a government spokesperson stated in interview, ‘… one term in the [ceasefire] agreement states that once the constitution is resolved then there will be a single government. So in my opinion, to resolve the Wa issue we need to resolve the constitution’. Interview by Author with government spokesperson, Yangon, May 2005.

$^{54}$ The only aid the US remains prepared to provide is predominately restricted to the realm of combating narcotics production. N. Ganesan, "Myanmar's Foreign Relations: Reaching out to the World," in *Myanmar: Beyond Politics to Societal Imperatives*, ed. Kyaw Yin Hlaing, Robert H. Taylor, and Tin Maung Maung Than (Singapore: Institute of Southeast Asian Studies, 2005), p.34.

$^{55}$ The US itself estimated that there would be an initial loss of 40,000 jobs and that this would escalate to a loss of around 100,000 over the long-term. Others, such as David Steinberg, have estimated higher job losses around 180,000. Donald M. Seekins, "Burma and U.S. Sanctions: Punishing an Authoritarian Regime," *Asian Survey* 45, no. 3 (2005): p.442.
Myanmar (not a sanction) and this has also negatively impacted on the textiles industry and employment within it.\textsuperscript{56}

Due to the existence of forced labor in the country, the United Nation’s International Labor Organisation (ILO), for the first time in its history, adopted a resolution to compel the Government of Burma to comply with its obligations under the Forced Labor Convention of 1930. The move authorised the ILO Director-General to request that the ILO member-countries, international organisations and the United Nations Economic and Social Council (ECOSOC) review and potentially cut their relations with Myanmar.\textsuperscript{57} International policies of isolation and sanction have been further encouraged through the lobbying of various exiled political and civil society groups together with human rights organisations (such as Amnesty International). These groups have carried out widespread campaigns (particularly in the US) to stop all tourism, investment and foreign trade.\textsuperscript{58} This has motivated the US to further isolate Myanmar from economic aid by advocating the suspension of ‘in country assistance’ from the various Breton Woods institutes – the World Bank, the International Monetary Fund and the Asian Development Bank.\textsuperscript{59} The lack of bilateral and multilateral funding has, in turn, limited the presence of international non-governmental organisations.\textsuperscript{60}

\textsuperscript{56} Interview by Author with Ambassador Vicky Bowman, British High Commission (Yangon, Myanmar), May 2005. The Ambassador did not make this suggestion but supplied the author with various materials to which the author extrapolated the opinion stated in the text. The review of the scholarly literature, in general, also supports the stated opinion.


\textsuperscript{58} “Myanmar: Sanctions, Engagement or Another Way Forward?,” (Yangon/Brussels: International Crisis Group, 2004), p.15. A large number of the multinational companies that were present in 1990s have since left the country due to the political pressure that has been placed on them. N. Ganesan, ”Myanmar’s Foreign Relations: Reaching out to the World,” in Myanmar: Beyond Politics to Societal Imperatives, ed. Kyaw Yin Hlaing, Robert H. Taylor, and Tin Maung Maung Than (Singapore: Institute of Southeast Asian Studies, 2005), p.34.


By contrast, ASEAN and its member states have followed a different path. As a response to the Four Eights democracy movement (8.8.88) and the continued instability that followed; in 1994 ASEAN formally adopted Thailand’s policy of ‘constructive engagement’ as a means to induce a modification to the internal policies of the SPDC. At the time, this implied the norm of quiet diplomacy where any conflict of interests and/or differences were to be consultatively discussed. Such discussions were to be on the principle of non-interference (inter alia) where ASEAN would not publicly interfere in the internal affairs of the country. Consequently, at no time did ASEAN sanction Myanmar and, following Myanmar’s membership in ASEAN, both Singapore and Thailand grew to become two of Myanmar’s four largest sources of Foreign Direct Investment (FDI).

The combination of membership in ASEAN, constructive engagement and the increases to trade and interaction that followed; did not result (contrary to ASEAN’s prediction) in any ‘significant’ improvement to the domestic environment of Myanmar. In 1997, and in the midst of the economic crisis, some ASEAN members (Thailand and the Philippines in particular) started to question the effectiveness of ASEAN’s approach. Concern over the continued crisis in Myanmar was reflected through Thailand’s Foreign Minister (Dr. Surin Pitsuwan) who called for a tougher policy of constructive intervention where domestic issues had regional consequences. His idea, however, proved to be too controversial and was in the end replaced with the compromised concept of ‘enhanced interaction’. However, in the context of Myanmar, it was not until 2003, and in the lead up to the ASEAN

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63 There have however been some small but sustained increases to GDP per capita (PPP) and the average life expectancy (although both categories remain far below the level of Myanmar’s ASEAN counterparts).

chairmanship crisis, that this new principle was applied. For various reasons since this time, including the limited success of constructive engagement, ASEAN and its member-states have illustrated (to varying degrees) a greater preparedness to publicly criticise and pressure Myanmar over domestic issues with regional consequences.\textsuperscript{65}

Should ASEAN continue to take a proactive role in its preparedness to engage and simultaneously pressure the SPDC towards reform; then it may be possible for the EU and the US to moderate their approaches in a way that might attain \textit{some} common ground with ASEAN in the future. The potential for Western countries to undertake more reasoned long-term strategies on the issue is not beyond the realm of possibility as in the 1990s Australia had been involved in sponsoring a series of workshops on human rights. Through this engagement it also pushed the possibility of establishing an independent human rights commission within the country.\textsuperscript{66} While it may not be feasible to completely bridge the policy divide (given the authoritarian nature of some member-states); any \textit{shift} towards a greater uniformity of approach within the international community would advance the potential effectiveness of the recommendations at the end of this paper – recommendations that need to take into account the structural, political and economic limitations of Myanmar.

\textsuperscript{65} For example, in the Joint Communique of the 36\textsuperscript{th} ASEAN Ministerial Meeting the statement explicitly referred to the Black Friday incident where Aung San Suu Kyi and her supporters were attacked seemingly by agents of the government 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’. They added that ASEAN ‘looked forward to the early lifting of restrictions placed on Daw Aung San Suu Kyi and the NLD members’ and reaffirmed its continued support for UNSG Special Representative Tan Sri Razali Ismail. ASEAN, \textit{Joint Communique of the 36th ASEAN Ministerial Meeting [Internet]} (Phnom Penh, 16-17 June, 2003 [cited 18 October 2005]); available from www.aseansec.org/14833.htm. See also: ASEAN, \textit{Chairman’s Statement: The Eleventh Meeting of ASEAN Regional Forum [Internet]} (Jakarta, 2 July, 2004 [cited 15 October 2005]); available from www.aseansec.org/16246.htm, Kavi Chongkittavorn, "ASEAN Must Reflect before Axing Burma," \textit{The Nation}, 22 July 2003.

\textsuperscript{66} This pressure through engagement did not mean that the SPDC automatically closed its door to Australia. To the contrary, the workshops continued. These workshops involved around 200 mid-level officials from the police and various other ministries. The Australian’s have argued that the success of the program could be contributed to the pragmatic nature and long-term outlook of the strategy. In other words, they sought gradual long-term improvement. One consequence of the program was that the SPDC acknowledged existing obligations under international human rights law to its employees. It was also claimed to have resulted in improvements in the realm of ‘prison reform, child protection, and forced labor’. Neil Englehart, "Is Regime Change Enough for Burma," \textit{Asian Survey} 45, no. 4 (2005): pp.642-3.
The ‘Myanmar Context’: Further Factors behind the Inadequacy of Diplomatic and Economic Isolation

Despite the extent of human rights abuse in Myanmar – together with evidence suggesting the complicity of the SPDC in the narcotics industry – the reasoning behind policy makers who use evidence of ‘corruption’ and ‘human rights abuse’ as an ethical excuse for not engaging with, or providing aid to, the regime (broadly speaking) must be called into question. This is because, in addition to the evidence cited in this study, there is a wealth of scholarly literature to suggest that the country’s domestic instability will not be mitigated until the level of state capacity has been improved – politically and economically. In other words, while there is undoubtedly room to improve on what little ‘good governance’ exists; given the level of domestic instability, inadequate state capacity and the regime’s historical animosity to outside interference, there are limits to how much policy makers can expect in terms of reform and good governance over the short to mid-term.

In interview, and according to one UN representative in Yangon, the government of Myanmar, as a percentage of GDP, spends no less on education than many of its

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67 The author remains against any military aid aside from that which would enhance the professionalisation of the Tatmadaw and/or its respect for upholding the human rights of its citizens – in other words, security sector reform.

68 In fact, the reasoning of policy makers has not always been so ethical nor has it always taken the ‘moral high ground’. For example, one can note a loophole in US sanctions where the investments of Unocal remain unaffected. Unocal is ‘a politically well-connected American oil company’ that operates the ‘Yadana Pipeline Project’. As Donald Seekins states, this project provides ‘little to no employment to locals, gives the junta huge annual revenues (as much as $400 million), and has caused great hard-ship, forced labor, and forced relocation for ethnic minorities in the Thai-Burma border area’. Donald M. Seekins, “Burma and U.S. Sanctions: Punishing an Authoritarian Regime,” Asian Survey 45, no. 3 (2005): pp.451-52.


70 This animosity, along with a related ‘siege mentality’ and paranoia of neo-colonialism and western plots, has been a consequence of several historical events including the occupation of the country by Britain, the later occupation by Japan and then its failed attempt to stay out of the Cold War by joining the non-aligned movement. N. Ganesan, "Myanmar’s Foreign Relations: Reaching out to the World," in Myanmar: Beyond Politics to Societal Imperatives, ed. Kyaw Yin Hlaing, Robert H. Taylor, and Tin Maung Maung Than (Singapore: Institute of Southeast Asian Studies, 2005), p.33. In the case of the latter, the government had to face the Chinese Kuomintang insurgency group (supported with US government money and by the profits from drug trafficking) that were launching offences against the Peoples Liberation Army. It also had to contend with a related Chinese backed Burmese Communist Party (BCP) insurgency group. The UWSA is an offshoot of the BCP.
neighbours. Despite this fact, and unlike its neighbours, the health and education systems of the country are collapsing abysmally. Some of the reasons for this can be found in the exceptionally low levels of Official Development Aid (ODA) received by Myanmar but to which other countries with higher levels of ODA utilise to fund their education and health services. Figure 1 (below) shows a comparison of Myanmar with East Timor as well as ASEAN’s remaining CLVM countries – Cambodia, Laos and Vietnam – in terms of the levels of ODA per capita for 2003. While Vietnam, Cambodia and Laos range between US$21 and US$48, East Timor is currently receiving a massive US$145 per capita. Meanwhile, Myanmar received only US$2.50 during 2003. Reflective of Myanmar’s isolation from aid, illiteracy is now estimated in certain areas (such as the Wa State) to be as high as ninety percent. While net enrolment in primary school had dropped from ninety-eight percent in 1990 to eighty-four percent by 2003; what is more revealing is the fact that as a national average (worse in the ethnic minority areas) only one in two children will finish primary school and only around thirty-five percent ever enrol in high school. If sanctions are detrimental to the future of Myanmar, then such a lack of aid and ODA is crippling.

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71 Interview by Author, UNICEF (Yangon), May 2005.

72 The state of the health care system was reflected in the exceedingly low average life expectancy within the country. Ardeth Maung Thuwngmung, "Burma: A Gentler Form of Authoritarianism," Foreign Policy, no. 139 (2005): p.39.


Figure 1: ODA Per Capita in the CLVM Countries & East Timor

<table>
<thead>
<tr>
<th>Country</th>
<th>ODA in US$ Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>$37.33</td>
</tr>
<tr>
<td>Laos</td>
<td>$48.03</td>
</tr>
<tr>
<td>East Timor</td>
<td>$145.00</td>
</tr>
<tr>
<td>Vietnam</td>
<td>$21.00</td>
</tr>
<tr>
<td>Myanmar</td>
<td>$2.54</td>
</tr>
</tbody>
</table>


The long-term collapse of the education system has contributed to the rise of a leadership and its military that are now depicted as among the least educated in the world. Meanwhile, when low ranking officers and rank-and-file soldiers are paid less than a dollar a week to work for the proxy forces of the government (such as the former insurgent armies of the UWSA or the DKBA); bribery, corruption and narcotics trafficking become inevitable. The government's own military (the Tatmadaw), along with its lower and mid-ranking bureaucratic staff, also receive wages that, in many instances, are inadequate without supplementation through rent-seeking and other corrupt practices (such as narcotics trafficking). This problem has been further compounded by infrequent wage increases that are too insufficient to

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75 The ODA per capita figures were calculated by dividing the total annual ODA by the population of each country.


77 Until recently, a standard private's salary was less than fifty cents a month but the government funded an increase to military salaries though money printing which has in turn contributed to massive inflation rates. "My Gun Was as Tall as Me: Child Soldiers in Burma," (Human Rights Watch, 2002), pp.64, 79-80. For an overview of the salary and conditions of life in the ethnic minority armies (whether subject to a ceasefire arrangement or not) see pages 110-159.

compensate for inflation rates as high as 53.7 percent (2002). Because of the desperate struggle by the SPDC to balance between maintaining power and stability; where large wage increases have been implemented (such as with the Tatmadaw) they have been ‘financed’ through money printing which has further exacerbated the inflation rate. Money printing, together with compulsory labor, are but two examples of the government’s negative resource mobilisation in corollary to isolation from foreign aid, trade and investment. Under these circumstances, policies of isolation and sanction continue to reduce not just the welfare of the people; but the capacity to implement positive change and reform. This, in turn, has added to the risk of fuelling social unrest with the potential to result in the downward spiral depicted by Figure 2 below. In this environment, Myanmar’s security architecture remains as ripe as ever for repeated and continued human rights abuse.

Figure 2: From Sanctions to Isolation and the ‘Domestic Instability Cycle’

Source: Compiled by Author.

79 While the inflation rate was 52.8 percent in 2003 it subsequently dropped to its lowest level in 15 years (17.8 percent) in 2004. Data provided by the ‘CIA World Factbook’, located at: http://strategicasia.nbr.org.

80 "My Gun Was as Tall as Me: Child Soldiers in Burma," (Human Rights Watch, 2002), p.79.


The dangerous consequences of isolation and sanction have been further exacerbated through a lack of understanding by some Western actors over the ‘security goals’ of Yangon’s leadership. Based on a history of colonisation and half century of civil war, the General’s security goals have taken, and will continue to take, precedence over their economic goals. In view of this, sanctions intended to target the economy of Myanmar were doomed to fail from the beginning as no matter what degree of hardship these sanctions might inflict, the government believes it cannot accede to what it considers to be modern-day interventions by ‘imperialist states’. The belief of the military that they are charged with an immutable responsibility to uphold Myanmar’s unity and sovereignty is a genuine belief and should not be dismissed as simple propaganda.83 Any irrationality in their worldview can be partially explained by the xenophobia and paranoia generated by, in some instances: ignorance, very little contact with the outside world (isolation) and the previously mentioned lack of education. Further, the historical background illustrated how the government, from the early years of independence and while immersed in socialist party doctrine, largely followed isolationist policies. In contrast to the often cited South African case study, it survived – albeit at subsistence levels – without the need for significant trade and investment from the West. The government has continued to survive because there remain adequate natural resources (and allies) to maintain the continued functionality of its primary security force – the Tatmadaw.84

The ability of the SPDC to survive any sanctions regime (regardless of the costs to society) has been further strengthened by its strategic importance to China, India and Thailand. In the case of China, the People’s Liberation Army views Myanmar as a strategic gateway to the Indian Ocean and has subsequently provided large scale military and economic aid to the country.85 By contrast, India has become concerned


84 This includes a self-sufficiency in food security; particularly in the central Bamar areas to which the government depends on for its survival. "Myanmar: Sanctions, Engagement or Another Way Forward?,” (Yangon/Brussels: International Crisis Group, 2004), p.17.

85 The emergence of good relations between the two countries resulted in Myanmar receiving an initial supply in military equipment of US$1.5 billion and this was soon boosted by a further US$2 billion and the provision of cheap consumer good. Derek Da Cunha, "Southeast Asian Perceptions of China’s Future Security Role in Its "Backyard"," in *In China’s Shadow: Regional Perspectives on Chinese Foreign Policy and Military Development*, ed. Richard H. Yang and Jonathan D. Pollack (RAND, 1998), pp.117-18. More recently in 2003, China provided Myanmar with another loan package of US$200 million, agreed to write off many of
with the strategic implications of Myanmar’s relationship with China and subsequently sought, as a counterbalance, to engage and assist Myanmar (economically, militarily and politically) through its ‘Look East’ policy. In the case of Thailand, the Thaksin government has made the determination that economic interdependence is the best and fastest path to stable relations along the border. Less principled has been its exploitive pursuit (together with China) of the natural resources within Myanmar such natural gas and teak. These three strategic relationships alone (there are others however, such as North Korea, Russia and Singapore) are more than adequate to sustain the continued survival of the government over the foreseeable future. Under these conditions, universal enforcement of a sanctions regime was never a realistic possibility and, therefore, it is difficult to see how strategies limited to isolation and sanction could ever have been effective – now or in the future.

As far back as 1990, David Steinberg, a specialist in Burmese affairs, wrote that ‘an indefinite policy of isolation may not work’. Fifteen years on there is much to suggest that he was right. In addition to the internal dynamics raised by the preceding components to the analysis, part of the problem rests with the US and the EU who have forgotten policies from the past where economic liberalism and interdependence were seen as a key tool for long-term reform. In a more recent work, Steinberg suggested that meaningful reform and ‘[c]hange can take a long time. Political liberalisation and openness as a consequence of embracing a market economy bridged more than a generation or more in the cases of South Korea, Thailand and Taiwan. The connection between a market economy and democracy has yet to be made in

the country’s debts and provided additional new military equipment at discounted prices. Ian Holiday, "Rethinking the United States's Myanmar Policy," Asian Survey 45, no. 4 (2005): pp.615-16.


Vietnam and China’. With the advent of sanctions and isolation this connection, in Myanmar, may take even longer; especially given that since the middle of the 1990s the Generals appear to be shifting back towards a policy of economic autarky.

**The Way Forward – Time for a Change in Heart?**

Perhaps it is in view of the desperate need to for capacity building, together with the many other factors touched on in this paper, that Japan continues to supply aid at the ‘grassroots level’ (such as to NGOs) in Myanmar. Further, in an apparent change of policy the United Kingdom’s ‘Department for International Development’ (DFID) announced in 2003 a commitment of US$15.7 million to combat the spread of HIV/AIDS. In justifying its new approach the department stated:

> In the international aid world more generally there is the contemporary need for much more realism about what’s achievable and politically feasible in a particular country context; to develop local solutions rather than relying on best practice models from

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90 Donald M. Seekins, "Burma and U.S. Sanctions: Punishing an Authoritarian Regime," *Asian Survey* 45, no. 3 (2005): p.448. History may prove that the pinnacle of this return to isolation and self-reliance was reached during the 2004-5 period with the removal of Prime Minister Khin Nyunt from power and the abdication of the 2006 ASEAN Chairmanship.

91 Formal ODA was however halted by late June 2003 following the Black Friday attacks against Aung San Suu Kyi. Ibid.: p.439. Nevertheless, continuing aid to NGOs, for example, so that the people may continue to benefit is a better middle ground to take. The website of the *Japan International Cooperation Agency* states that the ODA it currently provides is designed to assist in ‘the areas of (1) assistance for democratization, (2) assistance for economic structural reform, (3) humanitarian assistance, (4) addressing the problems of minority ethnic groups and refugees, and (5) combating drugs’. Available at: [http://www.answers.com/topic/japan-international-cooperation-agency?hl=official&hl=development&hl=assistance](http://www.answers.com/topic/japan-international-cooperation-agency?hl=official&hl=development&hl=assistance).

92 Meanwhile, and regrettably, the ‘United Nations Global Fund to Fight AIDS, Tuberculosis and Malaria’ announced in August 2005 that it would be withdrawing its program from Myanmar. It claimed that the main reason for its withdrawal was because the workers were unable to carry out their duties because of government interference. *Aids Organisation to Leave Burma* [Internet - News] (BBC News, 2005 [cited 22 August 2005]); available from [http://news.bbc.co.uk/go/pr/tv/-/1/hi/world/asia-pacific/4166418.stm](http://news.bbc.co.uk/go/pr/tv/-/1/hi/world/asia-pacific/4166418.stm), *Myanmar Asks UN to Reconsider Cutting Aids Funds* [Internet - News] (Thai News Service, 2005 [cited 25 August 2005]); available from www.factiva.com. Other organisations remain however and have managed to work with the government even if it has been difficult to do so at various times. In interview, two senior UN officials (one from the UNODC and another from the UN Inter-Agency Project on Human Trafficking in the Greater Mekong Sub-region) stated that the withdrawal of the fund had nothing to do with interference by the government of Myanmar. It was simply because of 'internal discordance'. Interview by Author with UN Officials, Bangkok, 23 February 2006.
elsewhere; and to be more realistic about timescales for fundamental reform.93

The research conducted indicates that the morality of seeking to provide ‘the people of Myanmar’ with adequate human security and a viable economic future is greater than a ‘principled refusal’ to engage with the regime. While such engagement may be distasteful, any alternative ignores the reality that a successful and stable transition towards good governance (and democracy) will require the continued involvement of, and cooperation by, the military.94 In this regard both the US and EU will need to be more realistic about what they can and cannot achieve. As the success of future aid and engagement will need to be based on a more or less uniform delivery of it ASEAN will also have a role to play. Under the modern, globalised and interdependent world; the days where ASEAN can continue to unconditionally sit by and endorse the leadership of Myanmar are numbered. Recent events over the chairmanship issue together with its relations with the EU and the US have provided some evidence that many of ASEAN’s members have recognized the need to be more proactive in pushing for reform in Myanmar. This is a very positive development and is a direction that needs to continue in a manner where ASEAN and its dialogue partners (the EU and the US) can reach some consistency in their collective pressure of the SPDC towards reform.

Further, the argument for engagement, as constructed in this paper, does not of necessity imply the contention that all sanctions are bad. Despite one US official describing sanctions as ‘chicken-soup diplomacy’ (where they make the advocate feel better but do little to resolve the situation);95 this paper argues that most ‘targeted’ sanctions have little negative impact on the people but at the same time successfully restrict the elites in power (e.g. their personal travel arrangements and investments). Nonetheless, in order to maintain the diplomatic relevance of the countries that

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implement sanctions it will be important to set clearly defined benchmarks for the removal of sanctions. In agreement with a report by the International Crisis Group; sanctioning governments might consider reducing their sanctions regime in response to each of the following events: the release of all political prisoners; the inclusion of the National League for Democracy and all the ethnic nationality groups in its constitutional convention and/or constitutional reform process; a commitment to a reasonable timetable to carry out reform; the eventual provision and implementation in law of human rights guarantees for all ethnic groups within the country; the establishment of a transitional government and the holding of appropriately conducted elections.

In order to assist the SPDC to reach each of the benchmarks advocated above, historical experience suggests that the most constructive approach will be one that focuses on long-term institution building and the capacity of the state. To this end, donor countries will need to resume aid to Myanmar as soon as appropriate short-term, mid-term and long-term strategies for implementation can be devised. While the implementation of these strategies, including the consent and cooperation of the SPDC, may at times be difficult it need not be impossible. As Shan democracy activist, Chao-Tzang Yawnghwe, once argued before his death; successful engagement will require the focus of the debate to shift from ‘hot issues’ to ‘hard issues’ including the ‘restoration of health and educational services, economic reform, and normalizing life in regions of conflict’. More generally, the key to successful


98 It appears that at least some accusations against the junta in terms of cooperation are poorly grounded. In August 2005 the ‘United Nations Global Fund to Fight AIDS, Tuberculosis and Malaria’ announced the complete withdrawal of its program due to ‘government interference’. To the contrary, two senior UN officials (one from the UNODC and another from the UN Inter-Agency Project on Human Trafficking in the Greater Mekong Sub-region) have since informed the author that that the withdrawal of the fund had nothing to do with interference but was merely a consequence of ‘internal discordance’ within the UN department itself. Interview by Author with UN Officials, Bangkok, 23 February 2006. Myanmar Asks UN to Reconsider Cutting Aids Funds [Internet - News] (Thai News Service, 2005 [cited 25 August 2005]); available from www.factiva.com.

engagement by the international community will also be based in understanding the cultural sensitivities (world-view) of the leadership together with the manner in which aid and targets for reform are packaged (e.g. benchmarks for the lifting of sanctions). In so doing, NGOs like Save the Children and World Concern have continued to maintain a constructive working relationship with the government.\textsuperscript{100}

Based on the considerations outlined in the comments above, the following list of possible options for aid has been formulated. The list is by no means exhaustive but, to the contrary, is a summation of the ideas that arose during the course of research on the subject.

- Specifically, a large scale aid package needs to be implemented that addresses the country-wide crisis in education and healthcare. Health is an immediate problem with immediate transnational effects whereas the failed education system will impact on the country for generations to come. Over the long-term, country-wide education will not only be critical to future economic growth, but to the continued development of civil society and a better future generation of political leaders.

- Student exchanges and education programs, similar to the ASEAN Scholarship Program in Singapore, where possible and feasible, should also be offered by those countries willing to engage the regime. Within East Asia: Japan, South Korea, Taiwan, Thailand, Malaysia, Australia and New Zealand may be in a position to assist in this regard.

- As Myanmar’s civil service has been extensively replaced by untrained military personnel; it is equally important that donor countries also provide avenues for training in efficient and effective civil administration. Such training, should it involve study in appropriate foreign countries, will also provide additional avenues to socialize and expose these elites to alternative ideas on human rights and the norms of good governance. In this respect, there should be an immediate resumption of programs such as the former human rights training program by Australia.

In the mid-term, it will also be important to provide appropriate forms of education and foreign interaction to the elites in power (together with the junior staff that support them) as this will be a critical pillar in changing how the military government operates in the country.

To further build the internal drivers of change, and given that the private sectors in the country are especially weak, targeted investment strategies should be developed and multinational corporations should be encouraged to reinvest in Myanmar. To this end, individuals from key independent sectors should also be trained and supported.\(^\text{101}\) The moderating impact of long-term economic liberalization has been seen throughout East Asia (e.g. Taiwan, South Korea, Thailand, Malaysia and Indonesia) and to restrict this is to cut off one of the few natural pathways to long-term reform.

International forums should be developed that would bring together the government, opposition parties and ethnic minority groups for the purpose of confidence building and reconciliation. These forums are possibly best hosted by Asian states such as Japan and Singapore – as both continue to maintain strong political and economic relations with the SPDC.

In tangent with the completion of ceasefire arrangements with the remaining insurgent groups a comprehensive aid package directed towards the impoverished border areas is desperately required. Such aid should not just stop with education and health but should also undertake actions that may reduce the opportunities for human rights abuse in the future. In this regard, attention should focus on how these ethnic minorities can be better integrated into the broader society and economy.

Many ethnic minority groups (including the ceasefire groups) have yet to gain access to cross-border trade.\(^\text{102}\) Thailand needs to commence work immediately with Myanmar to commence a border regime that will open the border areas for trade by these minority peoples.


A further example would include a large scale aid program to construct an accessible road network through the borderlands. Aside from the obvious benefits to trade, this would also facilitate greater observation by independent watchdogs on the human rights situation within the country. As the country stabilizes it could also facilitate an additional source of income through tourism.

The presence of tourists may further mitigate the worst forms of human rights violations in the borderland areas. Country wide tourism should no longer be discouraged by states and other groups but rather, it should be actively promoted. Aung San Suu Kyi should continue to be lobbied in this respect.

Donor countries might also consider some of the aforementioned suggestions on aid and training in relation to the NLD and other alternative opposition parties in the event that they demonstrate the potential for future leadership and good governance within the country.

When the SPDC does not satisfy the conditions of an aid package, rather than withdraw the money altogether, such aid should be diverted to alternative NGOs and/or ethnic minority groups – as has been done by Japan in the past.103

In conclusion, it seems somewhat appropriate to return to where the paper began: what is the greater morality? What is the lesser evil? Should we engage or should we sanction? Should we provide aid or should we isolate? While it is possible to argue that the stalemated situation in Myanmar is not reflective of the flaws in the current sanctions regime, but rather the flaws in engagement, such a belief is a fallacy. Had the implementation of targeted sanctions and isolation been universal then there may have been some prospect of being able to force the regime out of power or at least getting it to cede some authority to an elected civilian government. Aside from the hardship and even bloodshed that such a large scale sanctions regime may have delivered, the problem is that a unified global approach to Myanmar was not possible.

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103 Like Australia, Japan has sought to reward ‘behaviour favouring political reconciliation and democritisation’. However, in 1998 when the SPDC ignored a written plea from the Prime Minister of Japan for political dialogue and reconciliation; rather than stop its aid Japan diverted a grant of $75,000 to a refugee camp in Thailand. N. Ganesan, "Myanmar's Foreign Relations: Reaching out to the World," in Myanmar: Beyond Politics to Societal Imperatives, ed. Kyaw Yin Hlaing, Robert H. Taylor, and Tin Maung Maung Than (Singapore: Institute of Southeast Asian Studies, 2005), p.43.
and will not be possible in the future so long as Myanmar remains strategically important to China, and to a lesser degree India, or even the current government of Thailand. Therefore, policies that depended solely on sanctions and isolation were doomed to fail from the very beginning.

The people of Myanmar are facing stark prospects. Unless the international community increases ODA, at least to the equivalent of what is currently being granted in countries such as Laos and Cambodia – the former being arguably little better in terms of governance – then the situation will not improve in the foreseeable future. Even now, and regardless of what the international community does in relation to Myanmar, the next generation, in the very least, will be born into an impoverished nation with a failed health system, a failed education system and a broken economy. Those that are not part of a very narrow band of elites, will be lucky if they see much past there fiftieth birthday. While the future of Myanmar is ultimately in the hands of the government and its people, the international community (with ASEAN’s assistance) can at least start to formulate some longer-term strategies for appropriate aid and engagement so that the people of Myanmar can, as a minimum, have the opportunity to choose a pathway that might just deliver a better future. A future, let us hope, that is much better than has been indicated by segments of this paper.
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