

# **Reconciling Burma/Myanmar: Re-examining U.S. Relations with Burma**

**In Cooperation with  
The National Bureau of Asian Research and  
the School of Advanced International Studies,  
Johns Hopkins University**

**Michael Wills** (Director of Southeast Asia Studies, The National Bureau of Asian Research): This morning you're going to hear presentations from a diverse group of Burma specialists who collectively have many decades of experience working on Burma and in Burma.

I think all of us here in this room probably are in agreement that what we want to see in Burma is a more open, peaceful, democratic and stable society. The question is how to get from where we are now to that outcome. The view of this group of authors is that the current approach of isolation is not working. It's not likely to bring about the kinds of changes that we'd all like to see. And, moreover, it's probably harmful to long-term U.S. interests in the region.

The second point is a feeling that has emerged over the past year or so—that the changes underway right now in Burma are significant and provide a window of opportunity for us to re-examine U.S. relations with Burma and to see what we might be able to do to reconcile Burma and Myanmar.

## **A Grave Situation in Myanmar**

**John Badgley:** Some of you I recognize from a couple years ago when we had a reconciliation conference. Some of you are friends or close relatives of friends and all

of you are serious at this time of the morning and because of this topic. I think all of us feel a gravity that we may not speak to, but this is a very serious issue. Many lives are at stake. Many lives have been lost in the civil war that has, unfortunately, plagued Myanmar since independence.

The wars have waxed and waned. All of us who began working in Burma in the '50s have seen settlements broken, and have experienced the sense of tragedy affecting so many families. A few families have done well. Many have had very bad times. On the other hand, the conditions in Myanmar compared to its closest neighbors, like Laos and Bangladesh, are not so different. Yet we often compare Myanmar to Thailand or Singapore—at least those of us who worked there for many years.

In the '50s, Myanmar, or Burma, was at the lead of the pack in Southeast Asia. It's not there now. The question is: how can it catch up? I think for those of us here, and certainly for me, as of September of this last year we began another potential round of conflict resolution. It was important to draw it to the attention of this country, at least, the possibility of real change. Sometimes the music coming out of Myanmar is not exactly what we are prepared to listen to, particularly analysts who have not had years of experience in Myanmar.

And I think all of us here who have either their spent lives there, as in the case of Kyaw, or have come and gone all these years, sense that there is a different tune being played now. I'm quite aware that a number of you here don't share that sound, don't hear it, but we want to address that today. This is particularly true since 9/11, which, in itself, has become a symbol for the United States, a rallying cry, as was Pearl Harbor.

We recognize that things have changed in the world. I think for those of us up here, those changes in Myanmar and in Southeast Asia began long before 9/11. 9/11 brought it to our attention here, but the changes began out there. They aren't necessarily good or bad, but they are fundamental to the nature of the state and the nature of societies out there, particularly strategic concerns, in my mind, for U.S. interests must be recognized as very important for those of us who are concerned about the United States' future. We can't afford lots of enemies; we don't need them.

### **U.S. Has Made Myanmar an Unnecessary Enemy**

In my mind, we have had a policy that has created enemies in many places unnecessarily. Myanmar is one of them. The interests of the United States, indeed, are served by democracy and human rights. But we have other interests, as well, strategic interests, which certainly include access to military bases and recognition of a shared future, in terms of the order of states. In the case of Southeast Asia, ASEAN; in the case of Southern Asia, BIMTEC (Bangladesh, India, Myanmar, Thailand Economic Council), which Myanmar joined within the last two years.

The economic future clearly is global for all of the states in those two alliances, and this has been an accepted creed now in Burma and Yangon for, what, five years? But the United States has not particularly recognized that. Indeed, our officials have spoken against including Myanmar in ASEAN, as well as BIMTEC. And yet, the neighbors of Myanmar, India, Thailand and Bangladesh, as well as the rest of the ASEAN countries, have come to accept Yangon as an equal and as a participant. In my mind, that's very desirable.

### **Myanmar Must Have Its Own Future**

The essential strategic concern is that Myanmar have its own future, that it be able to design the kind of country it wants, and that it not be essentially a Chinese satellite, which it is rapidly becoming. In terms of investors, one can ask about the investment community now in Myanmar. Some are from the West. One looks to the white faces and says, well, that's where the investment comes from because they are the people one sees on the golf course or in the nightclubs. In fact, the bulk of the investment in the last couple years has been from China. If not Chinese money from China, Chinese money from Hong Kong or, in fact, investors who are of Chinese background from Thailand, Singapore and Malaysia.

There's nothing fundamentally wrong about that, but the notion that the United States simply ignores that phenomenon I find bizarre, considering how important Vietnam appeared to the United States in recent years, within the last quarter century, and how important Vietnam is now, in terms of U.S. interests financially and strategically. The same, of course, is true with Thailand, Malaysia, Singapore and the rest of the region. So I approach this from that background.

I'm not going to talk a lot about the internal politics and economic change. My colleagues agreed to write a piece on an assigned topic. While they didn't necessarily live within the boundaries of what was assigned, they did their piece, and they did it wonderfully well.

### **Sanctions Are Not Working**

**Kyaw Yin Hlaing:** I will be very brief, but before I make my presentation I want to clarify a couple of things. I still have a Myanmar or Burma passport—whatever you call it, I don't really care. And I still go home. I am now going to present my own research findings there. And whatever I say here are my own views, not anybody else's. I don't represent the government, nor do I represent the university I'm now affiliated with.

And one more thing: I would like to request that you all, especially the Burmese living here, read all the pieces carefully, especially mine, because some of my friends didn't read it carefully, and they misread some parts of the paper. The message I want to give here is pretty simple, which is that sanctions are not working. That's all. And I am really not trying to defend anybody or any institution.

So, let me start with the dire consequences of economic sanctions. Many of you might have heard about them both here and in some of the reports prepared by international NGOs. Even proponents of the sanctions cannot reject them. As an opponent of the sanctions, I read those reports with great interest before going back to Burma in the last four or five months to check out the negative consequences of economic sanctions. I went back to Burma about six or seven times in the last four or five months. And every time I was back in Burma I tried

to go to a good number of brothels and karaoke bars.

I met more than 70 prostitutes. I interviewed them. But, of course, not all prostitutes were former textiles factory workers. The increased number of prostitutes was not just because the United States imposed sanctions on textile imports from Burma. Burma has more than enough of its own problems. The problems there were not caused solely by the economic sanctions.

What I'm trying to argue here is that the country has its own problems and the sanctions are not helping. They are making things worse. When I talked to all these prostitutes and people working at karaoke bars, I managed to find about 20 prostitutes who used to be textile factory workers. Many of you who are familiar with the way things work back in Burma, especially the prostitution industry, know that prostitutes there are powerless. It's always up to the customers to use condoms. The reason I'm talking about this is because proponents of sanctions always talk about the long-term impact of sanctions. And two or three of the prostitutes I had lunch with said to me, "Well, let's get real. In the long run, we won't be alive anyway."

They were saying they have been exposed to all kinds of diseases. I want to represent such people. We cannot keep talking about the long-term impact of the sanctions. The sufferings of those people are real. That's just one thing. The second thing is about the school dropout rates in Burma in the last two or three years. I am not talking just about the impacts of the most recent U.S. sanctions here, but the impacts of Western sanctions imposed on Burma around 1996 as well.

## **Spillover Effects of Sanctions**

I went around the country and I talked to all sorts of people. My work has always been very sociological. One might say: “I don’t care what you encounter or what you learn from all these people.” One might dismiss what I found out just by saying that only 20 percent of the population was affected by the sanctions. Actually, it’s a lot more than that. If we want to understand the negative impacts of sanctions on the society, we need to take into account their spillover effects – that is, the spillover effects on other sectors of the society, not just the direct effect on the sector targeted by the sanctions. It is important to include the spillover effects in our consideration of the impacts of sanctions.

For proponents of sanctions, the ordinary people who suffered from sanctions might be considered collateral damage. For me, those people that are part of this collateral damage are my friends, my family and my relatives. After I learned how sanctions affected them, I can’t support Western sanctions. If you had a chance to hear what they have suffered, I don’t think you would have the heart to support the sanctions either. The next thing I would like to bring your attention to is the effect of the sanctions on the government and civil society.

### **Sanctions Undermined Civil Society More than the Government**

Of course, I’m not suggesting that sanctions don’t have any impact on the government, when they do. We need to understand that sanctions undermined the civil society more than they undermined the government. For example, student activism survived the repression of the socialist period between 1962 to 1988. These days, whenever I go to Burma, I go to university campuses because

many of my friends are still teaching there. But the activism there these days is almost non-existent. It’s not very difficult for people like us who grew up there or who have friends there to either uncover it or to figure it out.

I don’t have time to talk about it in detail. However, we should think about what we should do. If you really want to help Burmese people, you can do a number of things. International NGOs could undertake programs for poverty alleviation and also train local civil society activists. Another problem in Burmese universities is that the quality of the education has gone down significantly in the last 15 years or so.

Even though we didn’t have access to the latest publications when I was in college in the 1980s, we managed to survive. We went to USIS and British Council libraries. But because of the budget cuts these days, you can’t find good academic journals at those libraries anymore. In countries like Burma, all universities are public. All university faculty members are public servants. Since late 1988, most Western countries have stopped giving scholarships to university faculty members from Burma. It is very unfair to penalize university faculty members for being a part of government institutions. Such sanctions are not going to work, as they really undermine the civil society. When the civil society inside the country is very weak, you cannot expect change initiated by the groups inside the country. No matter what you do from far away places, the government will remain in power for many years to come. Thank you.

**David Steinberg:** Thank you. I should say one point. I was in USAID in charge of what we called, at that point, “Residual Burma,” if you can believe that. That was before our aid program restarted.

I want to thank everybody here for coming. I want to thank NBR and the Sasakawa Peace Foundation USA. I also want to thank John Badgley for bringing us all together and SAIS for holding this. And those of you who may be here for the first time ought to look at that plaque on the wall. It says Nanjing, Bologna. About 45 years ago it would have said Rangoon, Bologna because SAIS had an office and a program, which John was part of, at that time.

Basically, I want to make a few points in the short time that I have. One point that we have heard already is that I believe sanctions are not working. The function of sanctions, as explicitly expressed in the Senate, is regime change, and that is the expression that Senator McConnell used. And I believe that regime change will not happen. Regime transformation over time may happen. But what we are asking for is, in fact, unconditional surrender, which, even in war time, is a questionable strategy. We are trying to isolate a regime that really needs to be opened up and exposed to the world more.

The leaders of the government are rather insular. They've not traveled abroad widely. If they have traveled abroad, it has been on official delegations, which limits them to what they learn from these trips. It's what they want to learn and what officially they are told. What we need is a broader opening—as we have tried to do actually, as a matter of policy, under both the Democrats and the Republicans on North Korea—to open the society up, expose people to new ideas and try and effect change in that way.

We need, in the process of thinking about these things and our policies, to consider the question of face or respect. Face is not an Asian thing, as it sometimes is called. It is a universal thing.

### **All Involved Groups Need Respect**

If we are going to deal with the issues of policy, we have to ensure that all groups involved have some sort of respect. And that respect is, in fact, gone into and expressed very specifically. That respect means that the military has to have respect, the National League for Democracy has to have respect, the minorities have to have respect, and the U.S. government has to as well. None of these governments or groups are going to retreat from positions without some sort of compromise being affected in the process, and our position in the United States right now does not allow for compromise. That, I think, is an error.

It's ironic, though. By backing Aung San Sui Kyi unquestioningly and the League for Democracy, not only are we putting all our policy onto one person—which I would argue is a mistake in dealing with President Putin, or Tony Blair, or President Fox of Mexico, or anybody else; I think that is a mistake of foreign policy—but in the process of doing that, we are lessening her legitimacy in a highly nationalistic environment. We need to be more circumspect in our policies because her NLD's short-term tactical goals in the society may be different from the United States' long-term strategic goals.

### **All Sides Desire a Peaceful, Democratic, Prosperous Society**

Probably everybody in this room has the same goal of a peaceful, democratic, prosperous society. And it's the reverse of the Chinese proverb, which says that an estranged couple is in the same bed with different dreams, and we are in different beds with the same dream. And we want all the same goals, but, in order to get there, we are talking about different approaches.

There have been changes in the country. People say, “Why do you continue to write, because nothing changes.” In fact, there are changes, but we are in a situation where we don’t look at the nuances. We get no nuanced views from any side, I’m afraid, and I think that affects our policy.

There are many things that the government has done. Whether they have had the right priorities is a question, but the building of infrastructure, the ceasefires that they’ve had—these things are not basically recognized. And if you were to ask the U.S. government to admit that some good things have happened, like the reduction in opium production in the Shan State and so forth, you cannot get an official statement to that effect. Nor can you get an official statement criticizing the NLD.

So we are locked into a position that I think is unfair. At the same time, we’ve all made mistakes, sometimes egregious mistakes, and I include the military, the opposition, the minorities, the U.S., Japan, the multilateral organizations that didn’t get enough reforms in an earlier period when they were operational there. And so, we all share some sort of blame or some responsibility for the poor state of affairs, and the idea is to overcome this in some manner. But we are locked into a situation of orthodoxy, and that orthodoxy is apparent in Washington.

That orthodoxy is apparent among the military. It’s apparent in the NLD. It’s apparent among the minorities. It’s apparent even in the expatriate Burmese community, where, if you are not fully engaged on one side or another, you are considered to be inappropriately placed. So we have looked upon the situation in the country as trying to get a product, and we typify that product as the May 1990 elections.

But that is only one element of the democratic process. It’s an essential element, of course, but it’s only one element. We have ignored the process of how you get there; we want the end product without going through the process, and the process is absolutely critical if the end product, democracy, is to remain in force. It’s going after one has an election, whether the parties will adhere to democratic principles, whether they will compromise in some meaningful manner appropriate to their particular goals—these are the issues.

All of these things depend upon building this process up over time, and we are not doing that now, and I think that is an error. Let me close then by saying also that I think the U.S. has a one strand policy, which is human rights, an element of any U.S. policy, and an appropriate and important element. But we have other interests—strategic. We have human rights interests, we have anti-narcotics interests, we have the question of transnational effects on our ally, Thailand, of migration, of regimes, of trafficking, of all kinds of things that should be of our concern. And we are not taking those into account sufficiently. And so, I think the U.S. shortchanges itself, in terms of its policy toward the country. Thank you.

**Badgley:** Bob Taylor I’m sure is familiar to all of you who have read anything about Myanmar.

**Robert Taylor:** Thank you, John. What I want to say is merely to reiterate, in a way, some points which have already been made, both on the strategic point and on the nature of domestic politics and decision making within Myanmar or within Burma, and how that affects or how that should be understood, it seems to me, by governments outside who are trying to effect change in the country in a positive way.

Let me turn first to the strategic point, which I think has been made by previous speakers quite well. Drawing on the strategic importance of Burma in Asia, I think that it's too often overlooked, and people forget their history. And one of the great shames, when I come back to the United States these days, is that no one seems to study history any longer. But remember the crucial role of Burma in the Second World War? When American troops were operating in northern Burma during the war, it was crucial to the defense of India and to the eventual retaking of Southeast Asia from the Japanese during the war.

### **Burma Is in Danger of Being Drawn into the Chinese Sphere of Influence**

Well, that strategic position of Burma still remains the case today, in different circumstances, but still the case. And Burma is in danger of being drawn into the Chinese sphere of influence and changing the balance of power in Southeast Asia if the United States continues to persist with its one strand policy that David outlined for you.

If Burma becomes – if Myanmar becomes part of the Chinese sphere of influence, the balance of power in the region will be changed, which will be disadvantageous to both India and the ASEAN countries, particularly Thailand. And those governments are very much aware of this and have adjusted their policies accordingly. I must say Myanmar has conducted its foreign policy in the last three years very assiduously in an attempt to try to avoid that possibility by opening to its neighbors and working effectively with them, particularly India and Thailand, but also with other ASEAN countries. Nonetheless, one has to face the facts, and the Chinese Deputy Prime Minister was in Yangon today meeting with authorities in

the Myanmar government, discussing activities.

In the early days of the 1990s, the government came very close to China in terms of weapons purchases and gifts and the like, and that could be resumed, if the situations remain locked out for other options on the case. Not only is this bad for U.S. interests and the strategic balance of Asia, it's also bad for U.S. influence in India and in ASEAN.

I spent the last three months in Southeast Asia talking to policymakers and others in ASEAN governments and some from India, as well. They perceive that the United States is becoming increasingly irrelevant to the region, that the United States, because it keeps banging on the one drum — not just the United States, but my own government in Britain, as well—are making themselves irrelevant to the future of Asia by this one-eyed policy, and they rather lament that. At the same time, of course, they're pursuing their own interests, their own policies. And India is doing that very effectively now with Myanmar, in terms of military training with the Navy and other sorts of things, and also increasing trade and development infrastructure, including roads and other facilities.

The government in Myanmar – in Yangon - does not want to come under the influence of China, and, if you can look at the behavior of the Burmese government since independence in 1948, they consistently worked assiduously not to become part of the Chinese sphere of influence, usually single-handedly. And they did that quite effectively during the deepest years of the Cold War, in which the United States had an implicit ally in Myanmar, not an explicit one, and it didn't really cost as much. We often forget that, but I think one should re-

member these historical precedents. If Myanmar is worked with intelligently by the outside world, it could actually be quite an effective implicit ally of other interests.

### **Chinese Economic Influence in Northern Myanmar Is Growing Rapidly**

Chinese economic influence in Northern Myanmar these days is growing quite rapidly. If you go along the border areas in the Shan state with China, you're still in Burma, but you can't use Burmese currency. Instead you use Chinese currency to buy things in the shops on the border. You use Chinese telephone systems and you use Chinese petrol. The Chinese influence is growing up there, and this will inevitably be the case, as long as the economy is held back from development because of short-sighted sanctions.

I could go on and talk about other aspects of that, as well, but I won't. While I'm talking about strategic questions, there's one final point I'd like to make, and that is when people talk about Myanmar's international position in the world, there's often a great deal of misinformation and hysteria put about, often generated for political purposes, designed to besmirch the regime in any way it can. And the exile communities and the opposition groups do not do themselves a favor, and they don't do truth a favor in spreading around what are actually canards, in claiming that they are true without having the evidence for them.

And particularly, I think this claim that there's an alliance growing between Myanmar and North Korea should be knocked on the head straight away. There's no such thing. There's no evidence for such a thing, even though the idea keeps being bandied about in certain journals and by certain politicians in Washington. If someone could

show me some evidence of that, I'd be delighted to see it, but I have not seen anything yet. And I don't think there is any.

Let me just turn now to another point that I'd like to say a word about, and that's the nature of the government in Burma since 1988, and a number of things I think are overlooked when we think about the Myanmar question, in terms of that government. For one thing, while many of the personnel in the government are the same ones who were there when the army took over in September 1988, they have changed dramatically. And this is a very different government than the government that came to power in 1988. It's a much more politically savvy government. It's learned a great deal. It knows how to cope with a situation much more effectively than was the case before. And, in some ways, they've done a remarkable job, given the limitations that they've had to face in trying to run the country and manage change in the process.

The style of the government changes rather rapidly, compared to the past, certainly compared to the years before 1988 where nothing changed. And they've adapted to international conditions quite remarkably, as well as some of the domestic things, particularly the ceasefires. And often what's overlooked in the debates in the United States about what's going on in the country is the significance of the ceasefires, the fact that people are no longer killing each other in the Kachin State and the Shan State and large parts of the country. And hopefully quite soon, the ceasefire between the KNU and the government will latch on and take hold permanently and the world's longest-running armed conflict will end. I certainly hope that will be the case. But those things are not given credit for in the outside world's debates on Burma by always beating on the one drum.

## **Government of Burma Is Not Monolithic**

One has to also understand that the government of Burma is not monolithic. There's always the perception abroad, it seems to me, that it's a monolithic regime, and there is really only one thing that drives it: security. That's not true. Like all governments, it's being driven by a number of requirements, a number of policy issues, a number of policy perspectives. That's not to say that the government is not united. It is very much united, and it's been very clearly united as the army has been ever since 1988. But there are a number of perspectives within the army, within the government, as to how to move forward. The way in which foreign governments respond to changes in the country affects the balance of power within these governments and helps or hinders positive change from the point of view of the outside world, what we would see as positive.

A good example of this, it seems to me, was about a year ago when the U.S. government refused to certify Myanmar for drug certification for what they'd done in eradicating opium production in the Shan and Kachin states and elsewhere in the country. That decision was made in Washington purely for political reasons, it seems to me, and it had consequences in Myanmar far beyond just denying Myanmar assistance, economic assistance, in further drug eradication.

It had the effect of telling the reformers in the government, the people who are pushing for change, that all their good work is useless. It had the effect of allowing those people in the government who are skeptical about the outside world wanting to be more helpful to say, "See, we told you so. We told you you'd bend over backwards and try to do what the Americans want you to do by eradicating drugs and by doing other

positive things of that kind, and we told you you'd get kicked in the teeth. So let them go to hell," or words to that effect. Excuse my French.

## **Chilling of Political Atmosphere in Myanmar**

That had an effect of chilling the political atmosphere in the country, and when I went to talk to people in the government in February of last year, you could sense in their conversation that they were fed up with the outside world. And this led to a chilling of the domestic atmosphere in the country, and contributed, I think, to the unfortunate events in May last year. But I'm not saying it caused it.

The U.S. government's refusal to certify Myanmar contributed to a negative atmosphere, because decisions which are made by governments outside on activities of the government inside Burma do have a consequence. And for those that don't properly understand, they have a negative consequence. The reformers in the Myanmar government have been working very hard since May of last year to put forward the road map, which the prime minister announced in August would include holding a Constitutional Convention. There was a great deal of skepticism about the Constitutional Convention, about whether it would be a success or not, and people keep speculating one way or another on that. It seems to me that it's the best opportunity we've had for a long time to help facilitate change in the country in a positive way.

Certainly, there's lots of good noises coming out from where I'm at. I spent three trips in the last three months there talking to people in the Kachin State, in the Shan State, in the Yangon and elsewhere at a seminar that we managed to run with the

Institute of Southeast Asian Studies in Singapore. We met 25 different groups of people. We didn't talk about the Constitutional Convention, as such. You could certainly sense in the atmosphere that there was an optimism and a positive attitude towards change. And one has to try to encourage that to keep growing and developing.

I would like also to encourage foreign governments, particularly the American government, to not only respond positively to the changes that have taken place in the country, and to recognize them, but also to do a few other things which are cost free and legal under the constraints Congress has imposed. One thing is to learn more. It's really quite remarkable how uninformed Western diplomats are when you go to Yangon, when you talk to them. In fact, it's a waste of time to talk to them because you don't learn anything from them. They often come and ask me things that they should have known themselves because they live there.

### **Cool Rhetoric Necessary**

They're not informed. They don't go out and talk to people in the government. They only talk to the NLD and to the opposition, and that's not a positive sign either. You need to have multilateral connections with people in your country. The rhetoric needs to be cooled. It's really rather demeaning hearing the Secretary of State of the United States referring to the generals in Yangon as thugs. He was a general once himself, and was he a thug. But it doesn't really help get political understanding between this country and that government to use such overheated rhetoric.

The extremes of misinformation, which bandy about in the American media, need to be more largely ignored than they gen-

erally tend to be, and dialogue needs to be opened up with all parts of Burmese society. The ceasefire groups—the minority groups in particular—have been overlooked in the discussions with the country, particularly in the West, in the last 15 years. They are crucial to the future of the country.

A constitutional government would evolve from tomorrow if given proper encouragement by all sides, but a constitutional government is no guarantor of peace, as there was a constitutional government in the 1950s when the civil war started. There will not be a solution to ethnic conflict in the country unless they're drawn into this constitutional process and encouraged to participate in it. The outside world has a role to try to help with that, and I wish we would. Thank you.

**Morten Pedersen:** I'm a little bit younger than most of our people here on the panel, except Kyaw. We actually were born the same year. But I did begin working in Burma about 10 years ago, and one of the things that strikes me is that, in all of that time, we had been told the same story by activists, by the Western media, by celebrities ranging from Desmond Tutu to Bono. We had been told that the military regime in Burma is on the verge of collapse. We had been told that democracy will resolve all the country's problems from ethnic conflict to economic underdevelopment and drug production. So basically, all we need is more international pressure and sanctions, in particular, to bring the regime to its knees, and then we'll share in this new golden age.

It's all neat, and very simple, and very convenient, because it basically allows us to discount the military planning for the future, and it allows us to ignore the many, many difficult issues that will have to be

dealt with in order to make any kind of future democracy meaningful. And it would require the international community to develop a serious policy on Burma, which I would submit does not exist at this time. Unfortunately, as far as I'm concerned—and based, to a large extent, on the past four years where I have been living in Yangon—the story that I refer to is not only wrong, but it is dangerously misleading on all three counts.

### **The Military Regime Is Not on the Verge of Collapse**

First of all, the military regime is not on the verge of collapse. In fact, it seems to me to be more entrenched today than they were 15 years ago, and more confident. The current democracy movement has lost a lot of its momentum. There are people, as we have heard, in the regime, who understand the need to improve their performance.

Khin Nyunt and his group now are quite clearly trying to not only find a way out of the political deadlock, but also to improve governance in various areas. However, the military does have the option of just holding on. And if they're pushed too hard, I think that is probably the option that they will take. In fact, if Khin Nyunt does not deliver on the kind of issues that he's expected to deliver on by other people within the regime—and this includes internal stability and improved external relations—it's very likely that he will be pushed out, and we will be left with a more reactionary group of generals and much more trouble to come.

### **Burmese Problems Go Beyond the Nature of Its Political System**

The other problem with the story is this assumption that democracy provides the

panacea for all the problems, all the development problems, that face Burma today. This is rather naïve, I must say. These problems go far beyond the nature of the political system and what particular personalities are in power.

Democracy, to begin with, requires moderation. It requires cooperation. Yet, there's very little experience in Burma in dealing with disagreement, except through violence and coercion. Democracy also requires both strong state institutions and, of course, independent institutions outside the state, including an effective bureaucracy and active civil society, as well as an active private economic sector. But all of these groups are extremely weak today; they are actually stirring, emerging and growing in strength, but they need a lot more support.

Finally, democracy, of course, requires economic development. The policy of both the government and the people contributes greatly to conflict, to ineffective governance, to human right abusers and, of course, also to the deepening humanitarian crisis. All of these things—and, of course, on that I echo most of my colleagues here—raise some very serious questions about a policy based on sanctions and isolation, which not only have very little impact on the will and the capacity of the military to maintain power, but also undermines domestic capacity and pressure for change, and impedes efforts to build the basis for a stable and more meaningful democracy in the future.

Basically, and I am being very blunt here: sanctions are a cop out. Sanctions are bad policy. They allow us out here in Washington and London and Copenhagen, wherever we are, to feel that we're doing something without having to invest too much effort.

## Sanctions Are Detrimental to the Burmese

But sanctions are detrimental to the interests of the people who are living in Burma, who suffer not only from the direct effects of a lack of investment and trade sanctions, but also from all the things that we're not doing. And this, in many ways, is actually my primary concern.

The most damaging sanctions in place today are in the kind of international assistance that is needed to help improve governance to promote economic reform and to relieve pressure on the most vulnerable groups in Burma today. I believe there is a window of opportunity at this time, with a road map, with the peace talks between the government and the KNU.

Aung San Sui Kyi recognizes this. The armed groups recognizes this. That is, most of them do. Yet, most foreign governments continue with what I usually refer to as hobby politics. This could very easily result in another lost decade in Burma if we don't get serious about what we're doing and try to help. I think it's time to wake up to the realities of Burma today. I think it's time to make a realistic assessment of the prospects for democratic change, and it's time to get started on the long term and highly complex task of building a peaceful, prosperous, democratic state in what is right now one of the poorest, most fragmented and strife-torn societies in Asia.

**Badgley:** Thank you, Morten. I'll turn it over to Fred Brown in just a moment. I would like David to say something to this issue, which I'm going to address, for about one minute. Most of you are here because you want a prognosis about the future in Myanmar, Burma. I think all of us here have reached agreement that these things

are very likely to happen. It's possible external powers can change things in Myanmar. The United States has a history of doing this in other countries. God hope it doesn't do it in Myanmar in covert ways. There is very likely to be a national convention. There is very likely to be some form of an election. And there is very likely to be a parliament in place before the ASEAN heads of state meeting in 2006.

Khin Nyunt has put his reputation on the line on this. His career is ended if this does not happen. When I say Khin Nyunt, I mean a large body of the military is committed to that—certainly not all of the military. I think all of us would agree on this issue, although we may have some discussion about that. David?

**Steinberg:** There's a dispute when you talk to people in Rangoon about what's going to happen in 2006, and there are those who say Myanmar will do what is needed to assure that the ASEAN summit takes place. Not that the U.S. is there, but that the ASEAN summit takes place. And that means at least a new constitution and a referendum on that constitution. There are others who say, "No, by that time we will have a civilian government or a civilianized government of some sort in place." So there is a dispute about that. But there's no question in my mind that the role of ASEAN has become critical, and we can criticize ASEAN in the past and the ASEAN regional forum for not dealing with some of the most important issues in Southeast Asia, not just on the Myanmar side of things.

Of course, the U.S.—and Madeleine Albright especially—spoke vigorously against Burma entering ASEAN in July '97. And yet, I think that has been a good thing, because it is more important for another group of Asian societies to put pressure on Myanmar

mar, and not the United States, which is viewed as, in fact, a bully in the region.

### **ASEAN Playing Role More Effectively**

So ASEAN has this role, and it's beginning to play that role more effectively. It did this at the Bali summit when it criticized Myanmar for the first time and talked about Aung San Sui Kyi's arrest and the May 30<sup>th</sup> incident. And that, in fact, is progress. Not the incident, obviously, but the fact that ASEAN is waking up. And I think that the pressures from ASEAN are the future on this. We also hope that China would recognize that it is in their interest in the long term to have a stable country on its border in the south, which is of geopolitical and strategic interest to them, rather than have a group or country that is in a state of ferment where legal trade is a problem.

Illegal trade is obviously not a problem at the moment. And whether China would understand that or agree to that is another matter, but I think that the United States should take a role in talking to China about these issues. Some of us have tried, but to what effect, one doesn't know. On sanctions, I have just one last point. I testified before the U.S.-China Commission a few months ago, which is a congressionally mandated group, and one of the officials on that group said, "Well, sanctions in Burma are chicken soup diplomacy. They make you feel good, but they don't really deal with the disease." And I think that really sums up the situation.

### **Q&A**

**Questioner:** Let me expand on the issue of 2006, when Myanmar assumes the rotating presidency of ASEAN. Here is the worst case scenario: U.S. sanctions continue to remain in place in the year 2006, and the

State Department continues to deny visas to officials from the SPDC government. And, therefore, they cannot come to the United States for the preparation of ARF or post-ministerial meetings, which will be supported and backed by ASEAN as a whole, and so on into the year 2006.

So this issue between the United States and Myanmar becomes a confrontation between ASEAN, as a whole, and the United States. And ASEAN will be drawn more and more into the Chinese sphere of influence, and the U.S. will become even more irrelevant in the whole region. What can you do to prevent this from happening? What can you do to produce tangible results?

**Taylor:** I'm not quite sure. I need to think on that one a little bit. It would be extremely unfortunate if that scenario were to unveil or come about, because there's no crawling back from that. My guess is that no matter what happens in Myanmar now, the sanctions will still apply in 2006, because the U.S. Congress is too slow. It's like a dinosaur; you kick it, and 12 years later it has a thought.

So the sanctions will probably still be there, but the necessity for – well, the change may have come in Myanmar by then. I'm sure there'll be a constitution by then. In fact, I think there'll be a constitution referendum, unless it's blown off track now and we'll be back to square one. But you raise a difficult question, and I think we should ask the State Department to answer it.

**Steinberg:** We have to distinguish between sanctions and the Presidential Decree. The Presidential Decree froze assets, but also dealt with the travel of not only government officials, high government officials, but senior members of the USDA. In this election year, I think we can expect nothing

from either side, the Democrats or the Republicans, in dealing with Burma issues. I think nobody wants to deal with it. They're going to have other things to talk about. Even they want to avoid North Korea, which is bad enough, but they're not going to deal with it. But if there are actions, the government here can take non-congressional steps by eliminating the freezing of assets and by at least opening up travel for certain events, like the ones you mentioned. So there is a way out, if the administration wanted to do that.

### **Private Pressures Are More Effective**

Now, that doesn't solve the problem. I think sanctions will be the last thing to go. There are other steps, intermediate steps that the U.S. could take, but the point here, to me, is that the United States has to be able to tell the SPDC, "If you do a certain thing, we will do something else," and it has to be done privately, and quietly. And pressures should be of that sort, the private kind of pressures, rather than these public stances that sound so good to the Congress, but in fact have a deleterious effect on the relationship.

**Questioner:** I read all your papers very carefully, and we discussed it in e-mail and so on within the democracy movement overseas with both academics, analysts and activists, and I'll just relay some comments to you first. Since they're not here, they'll have to be anonymous. One from Australia said, "If you have a political agenda, at least don't hide it in academic garb."

You are saying, and you've said all along—because I've been here in this room and also in November of last year—that sanctions are not effective. What I'd like to argue is that the whole thing about the government floating the road map idea is that

sanctions are very effective, and that's why they are attempting to go to this disciplined democracy idea. Now, it sounds very good on paper, but we all want to know what is the exact mix between the discipline and democracy? In your paper, Dr. Badgley, you made some allegations which, I'm afraid, I don't think are true at all.

For instance, you said between 1974 and 1988 there were developments in Burma. What kind of developments were those, unless it was getting itself onto the least developed nations list and on the list of one of the worst human rights abusing nations in the world? So the timing of this thing—I mean, your distinguished panel is, to say the least, rather dubious.

And I also had something to say about Helen James' paper, because she compared the exile movement and the SPDC and claimed the SPDC is holding the country together, and therefore, it loves Burma or Myanmar better. I would ask: what kind of a mother, or what kind of a father is that?

And the last question is: we all know and you know that this morning we are here because this is like a precursor to hearings in the afternoon, which might influence U.S. policy more, and this is kind of an attempt to influence public opinion ahead. But on the ground in Thailand—one of the main advocates of the road map—they're trying to help with the "road map," quote, unquote, because, well, it gets all the spillover effects of the refugees, and so on. But we also have word that there are welcome centers open there, and those who have been sent across the river and been sent back have said the welcome centers are run by the SPDC alliance, the DKBA. So it's not that there isn't some sense in what you're saying, that you, at best, want to give SPDC the benefit of the doubt.

But my question to you is what will happen if it's pushed through, and it might become pushed through? If SPDC doesn't keep its side of the bargain and continues its abuses, which it is likely to do, then what?

And also, on your research, can you or I or can anybody here or my younger colleagues on the border go back in and make these research trips to Burma? How are you able to make these trips to look for people who had been workers in the textile factories?

**Fred Brown:** Who would like to take this on first? John, do you want to say something about your sample?

**Badgley:** As always, I have many different kinds of answers to those questions. They are fruitful questions, and I know they're in the minds of many throughout the United States. I won't speak about Australia or places other expatriates are living. But let me pick up the first one of a sort of hidden agenda. In a sense, there's a truth to that. I write fiction most of the time, and so I'm dealing in the minds of people at two levels, at least. There always is a public stance, and obviously we're here in a public stance. And yet, always there's a private stance and a private position.

I think, in a sense, there is a question raised in the minds of people: why are we doing this now? What's the hidden agenda? And indeed, there is a kind of hidden agenda, but unfortunately, for that side of the argument we've stated our hidden agenda, which is that we think the timing is right to begin to seriously modify policy.

This happened in my own career with regard to China in the late 50s and early 60s. I joined a group of scholars in risking something of our careers to advocate reconciliation with North China. It was 1972 be-

fore the White House was ready to do that, and there was a steady barrage throughout that time: "What are you up to? Are you Communists?" That was particularly the charge in the *Cincinnati Enquirer* in the editorial that threatened my tenure at the university nearby, but it had a reverse impact.

The second part of that, in my own experience, was Vietnam. In this very building, there were lots of people, former students and what not of mine, that came and spent the night in sleeping bags during the marches. What was our hidden agenda? There were some in the faculty that questioned those of us who were supporting a change in Vietnam. Some of us who had been working on politics in Southeast Asia felt that, indeed, there was a sea change, I guess, is the right word. And guess what? That happened. They did change, and we have reconciled with China and Vietnam. I feel what motivated me secretly was a gut instinct, nothing to be measured, but a gut instinct that there's a sea change right now.

### **Forces Are Coming Together**

It's been underway for a while, and there are forces coming together. China is willing to talk to India. Thailand is willing to talk to Burma, which certainly even two years ago was not the case. The rest of Southeast Asia is ready to talk to Japan and India about a countervailing force with China. And China itself has very moderate, progressive leadership that is advocating quite a different policy than the Chinese did in preceding years.

So, yes, there is that hidden agenda. There are lots of things to be said.

## Changes In Myanmar Must Be Recognized

**Taylor:** I think it's important to recognize how much things have changed within Myanmar, as well. It's not like it was five or six or ten years ago when you would go there and do social science research or other kinds of research. I think I made reference in my oral comments this morning to the fact that the first week in February, the Institute of Southeast Asian Studies organized a week-long workshop, where we met with critical parties, with leaders of critical parties, NGOs, religious groups, business groups, women's groups, and ceasefire group leaders in a hotel in Yangon over a period of five days and 25 meetings.

Now, that wouldn't have been possible 10 years ago, and that sort of thing is now possible, and society is more open. You can travel places now which you couldn't go to before, thanks to the ceasefires. You can go to parts of the country which were completely off limits, not only foreigners, but to the Myanmar nationals who didn't have green suits on. And it's a much more open society than we often get the impression of from outside.

**Kyaw:** Thank you for raising that question. I did try to outline my research method in an earlier version of the paper. Because of space constraints, that part was dropped. The method I used is what we in qualitative research call the snowballing method. Of course, as Bob said, I don't pretend to make my research sound or look very scientific. As random sampling is not possible at the present moment, I tried my best. And then, when you look at some of the works that came out of China studies in the 1960s, 70s and even early 80s, a similar method was used in those studies. It was used in the stu-

dies on Eastern Europe in the earlier days, as well.

This sort of method is very common—not very scientific, but this is at least the best I could do, under the circumstances. And if someone else can come up with a better method and better data, by all means, reject my data, argument and hypothesis. I will happily welcome it. But what I have done so far is the best I could do.

I told you at the beginning of my presentation a while ago that I still hold a Burmese passport. My mother always recites prayers whenever I go back to Singapore. She would never stop reciting prayers until I called her from Bangkok or from Singapore. She always worries that something might happen to me at the airport. That is the reality of the situation. There are some risks for me, too. Thank you.

### Discourse on Disagreement Is Necessary

**Steinberg:** Let me say a few things here. I disagree with John about one thing. I don't have any hidden agenda. I'm being very transparent in everything I've written about what I believe. The point here is that we need discourse on this disagreement. These are judgment calls that we can make in good faith. You can believe that sanctions work, and I can believe that they don't work. But we need to talk about it, and, as you look at the literature coming out, there is almost nothing against sanctions, except the stuff that we have been doing, or from the government.

These are not neutral views, and we're trying to get a kind of balance. At least I am trying to get a kind of balance. Whether sanctions are effective, I'd say no. You are assuming that there's a coterminous of sanctions and pressure, and I say sanctions

are a kind of pressure. But there are other kinds of pressure that can be brought and that can be brought discretely and more effectively than sanctions. And that is one of the complaints.

I wish I knew what disciplined democracy was, also. I prefer non-adjectival forms of democracy, whether they're guided or people's or any other kind of democracy. Let's just have democracy as democracy. The timing? No, the timing is not devious at all. As we said, this is a point where the government is trying to do something, and we should be responsive to that, pro or con. So the timing, I think, is quite appropriate.

I would like to see Burmese dissidents allowed back into the country, to wander around and talk to people, and I would hope that that would happen. And certainly, if I had my say, I would recommend that to people. If the SPDC does not keep their side of the bargain, you're going to have a very, very difficult situation in the country. And I don't know what their side of the bargain is because they haven't defined the kind of government that might emerge at some point in the future, and they haven't given us a time frame. And those are problems, I would certainly agree.

What we're doing this for is for the benefit, we think, of the well-being of the Burmese people—peoples, let's make it plural. But right now, we're stasis. We see poverty levels at about half the population, worse in some areas than others. And as long as this stasis continues, these people are not going to be helped, and that's unconscionable, as far as I'm concerned. But we should make every effort to try and make them better.

Now, you may disagree on how this may be done, but I think that we need to have this

kind of discussion. So that's why this forum, I think, is very important.

**Brown:** Let me just expand on what David has just said. The SAIS agenda in this is very simple. We want to give – we've been involved in this now for five or six years, through various conferences and smaller meetings. We simply want to give many points of view a chance to be heard and discussed because that's the only way we're going to be able to move ahead in somehow breaking the stasis and gaining some kind of reconciliation for the Burmese people, eventually. So that is our not-very-well-hidden agenda at SAIS.

**Wills:** I'll note that NBR also has no hidden agenda. But I want to make one comment on the question of timing.

NBR works on issues across Asia, from Northeast Asia through Central Asia to Southeast Asia. Last year, we collaborated with the U.S.-Indonesia Society and Stanford University on a study looking at U.S.-Indonesia relations. There was a question of timing then. We were bringing together people from different backgrounds and from different perspectives, all of whom agreed that it was time to review the actual relationship between Indonesia and the United States once more, and to see what might be done to improve relations.

Although separate from NBR's perspective, this Burma initiative is similar in that regard. John assembled a team of people who have very different opinions on a number of issues, and what struck us as significant was: (a) the fact that they were willing to work together on this and (b), that they were in agreement on the issue of the need now to take another look at whether or not the use of sanctions is an effective U.S. policy for relations with Burma.

To respond to the point about attempts to influence public opinion and policy, I would love to be in a position to say we at NBR come to Washington and have instant access to the policy world, but we don't. We're a policy research institution. We're one of several institutions in Washington and outside Washington working on these kinds of issues. We try and bring important issues to the table, and that is the goal of this particular forum this morning—that we see real value, as Fred said, in letting people exchange views on this complex issue.

And really, the dialogue that is being started here—and we hope it will continue—is one more aspect of a process that might bring people together to explore how things can change.

**Brown:** Would you like to comment on the comments to your question?

**Questioner:** Of course. You hold, Mr. Steinberg, that sanctions don't work, and I say they do. So I will give the opinion. There's still some people who think the world's flat, but I'm not one of them.

You know, the thing about the random sample was that if you were a journalist, for instance, I would not have said it because a journalist interviews whomever he or she finds, as a journalistic method.

But as you are presenting yourself as an academic, I just wondered, because it seems you were just going and looking for somebody until you found them, which is the number you wanted, who had worked in a textile factory and then had become a prostitute because their job was lost. And, of course, that person would say, "Yes, I lost a job because they fired me, because the factory closed."

We did get input from some of the NGOs who are based there about effective sanctions, and this was quite pervasive when the Freedom and Democracy Act was passed. But what your whole analysis doesn't bring out is systemic factors, which were there already. When those factory workers lost their jobs, if there had been a safety net in place, or if there were some other jobs that they could go to – now, whose fault is it that there are no other jobs to go to? Whose fault is it that there's a brain drain, that people are voting with their feet, running out of Burma and fleeing from Burma? And you thought that research conditions are different now.

Well, I'm sorry, but I, for one, am not going to test whether I'll be safe or not by going back and doing research there. I do believe you had some prior agreements about your safety and so on. Thank you.

**Questioner:** I work at the National Endowment for Democracy, and I have been involved in this debate for a number of years now—not as long as some of you, but long enough to understand some of the issues. I just want to touch upon a few quick issues going through this that most of the speakers have addressed, and then I'll ask one question, which I think is relevant to all the speakers.

The first question, this first issue, is the question of legitimacy. David brought it up, and a number of other people did as well, implicit in their talks, which is that Aung San Sui Kyi and the NLD are losing legitimacy because of the strong backing from the United States, and I think this really needs to be challenged. And, if anybody can demonstrate to us how they know this or why they know this, I'd be interested in it. I think the May 30<sup>th</sup> incident and the increasing crowds she was drawing in the run

up to that are a good indicator that her legitimacy and her popularity and that of the NLD is still quite strong in the country.

The second point is one that Morten raised here, and one he's raised other places, as have others: this idea that democracy is a panacea for anything. The last time that argument was valid was in 1950. I think there's no examples anywhere in the world that anyone can point to where a democratic transition solved the country's problems. No one makes that argument anymore. People make the argument in Burma that, until you have some sort of transition to democracy, you cannot begin to address the problems of Burma.

Burma's problems will not evaporate with democracy. If you have a problem with the pro-democracy strategy, if you have a problem with sanctions, I think those are valid arguments to have. But to sort of make the straw man argument that those of us interested in promoting democracy in Burma believe that all you need to do is change the government and you will solve Burma's problems is a silly argument, because I've never heard any honest, serious person make it.

The third point is this question of prostitution. I don't want to get into the details here, but I think it's a very, very dangerous thing to be throwing around without the documentation. I read your paper, Kyaw Yin Hlaing. I've read the World Vision Report. I've read every piece of documentation that's been cited to support this accusation that, following the sanctions, women have become prostitutes. More women who were working in the factories are now prostitutes. It's not well documented, but I think the theory is there. The logic is there.

If desperate women working in factories lose their jobs, one thing they might turn to is prostitution. The logic is very sound. But I'm not convinced, and I've never seen the data that actually demonstrates that there have been women you've been able to identify—or World Vision, or ICG, or anyone else—who have actually been in factories, and two weeks later mysteriously appear in brothels that you—as a male who does not regularly, I assume, sort of hang out in these brothels—can then identify and talk to.

If you look at the prostitution studies and everything else in Thailand, it's an extremely difficult task to penetrate prostitution and brothels and to find out where these women come from, or what their motivations are for becoming sex workers. So I just think it's a very dangerous claim to be throwing around without the documentation.

This leads to my last question, which is getting to your larger anti-sanctions position, which is common among all of you. And it's just a logical question, which to me is: if the U.S. doesn't have the influence to change Burma through sanctions, why do all of you believe there is such a roadblock to change? In other words, sanctions aren't powerful enough to change Burma, but they are powerful enough to stop Burma from changing, and I'm not sure how you square that circle. Thank you.

### **Government Believes Aung San Sui Kyi Is Controlled by the U.S.**

**Pedersen:** Well, I can comment on a number of these things. I think you first talked about the impact on the legitimacy of Aung San Sui Kyi and relations to the support of the U.S. The problem is not that she's losing legitimacy among the people. I think the problem is—and she has said this per-

sonally—that she has a very big problem right now in terms of her dealings with the government, because they believe she is controlled by the U.S.

This belief was established in 1995 when Madeline Albright went in there and immediately or quite soon after that, for the first time, came out and called for sanctions. This is something that is brought up again and again in conversations with the government. In fact, Aung San Sui Kyi, in her conversations with Rizali and the people who work with him, pointed this out as one of her main problems right at this time. But these generals don't want to talk to her because they believe she's controlled by the U.S. So it's not about popular legitimacy, which I personally don't doubt she has.

You criticized my use of the word panacea. Maybe you're partly right there, but it is certainly the case that a lot of the people who support sanctions do not acknowledge the need to do a whole lot of other things. And you say yourself that you don't acknowledge that, because you cannot do anything.

That is just plain wrong. There are a lot of agencies active inside Burma today who have accomplished a number of different things. These are things that, in my view, have to be pursued not from the day we get democracy, but they should have started 10 years ago, and they should be accelerated now. And the main reason I'm saying that is, if we don't begin to work on some of these things, it's very likely that the day we do get a democratic government, certainly if we get a quick one, that democracy would fail. And this is certainly something I think we can all agree on would be the worst thing that could happen, because that would allow the military to step back in and say, like it has said all along: "We were

right, you were wrong. We're going to stay in power forever."

### **Main Concern Is Whether Democracy Will Deliver On High Expectations of Burmese**

A lot of Burmese, by the way, are talking about this as one of their main concerns, in terms of the future: even if they get democracy, will it, in fact, deliver on the expectations, the extremely high expectations that a lot of people have of democracy? And they have, of course, seen a number of other countries around the world where democracies do not deliver, and they quite often have a backlash where the people, in a sense, begin talking about the good old days. It would be very sad to see that happen in Burma, particularly if we are directly responsible for contributing to that problem by saying that there's nothing we can do right now to help the people of Burma. It's just not true.

**Brown:** Other observations?

**Kyaw:** I guess I didn't make my point very clear at the beginning of my presentation. I didn't mean to suggest that sanctions alone caused all these problems or the increase in the number of the prostitutes in Burma. Of course I'm aware of the domestic problems. I don't specify them in detail, as many of you here know them very well. Domestic factors have contributed to many of the domestic issues and problems.

To what extent is my method scientific? Of course, that is questionable. However, under the circumstances, that was the best I could do given the problems with my sample size and the difficulty involved in specifying the causes of the rise in the number of prostitutes. I tried to focus on the ones I managed to find. I am aware that

they were not representative of the entire population. What I tried to do is somewhat anthropological, as I tried to study a few people (prostitutes), how they became prostitutes, and where they came from.

And I spent hours with not all, but some of them. The conclusions I presented in the paper are what I found out. If you have the data to reject them, by all means, please do so, it would be good. However, I will hold onto my conclusions until somebody rejects my findings. As I said in the paper, I have just tried to show how sanctions negatively affected some segments of the society.

**Steinberg:** Let me talk a bit about a couple of these things, including data. The first footnote you have when you write anything on the country is to explain whether you used Burma or Myanmar and why you use it and when you use it. The second is that the data is lousy. Data aren't there. We would like to know what the money supply is. We would like to know what the average or real inflation rate is. We would like to know what military expenditures are, what household income is, what other agricultural expenditures are.

General Ne Win could say in 1986 that we need to stop lying about statistics because we can't do any planning. So there is an inherent problem there of collecting data. So, admittedly, we don't have data. If you don't have data, and we don't have data, everything is anecdotal. And some of the data is spurious because it's politically motivated from either official sources or unofficial sources. So this is a problem.

On the question of legitimacy, we interpret in the West that legitimacy is based on elections, and certainly there's no doubt about who won the elections in May 1990.

## **Legitimacy Is Complicated in Myanmar**

But legitimacy is much more complex in that society, as we know. If you read the papers, you know that Buddhism is an important element of legitimacy. At one time, socialism was an important element of legitimacy, or perceived legitimacy, or attempted legitimacy. And now I think the military itself is portraying itself as legitimate because of its history, its rewritten history, and the qualifications of its past.

This is a conflict that's going on, and certainly Aung San Sui Kyi draws large crowds, and she is very popular, and that is just one element of legitimacy. But having her so-called or being perceived as legitimate—the question of whether she is, is another matter—but being perceived as so close to the United States undercuts her own credibility in that society.

Bob Taylor doesn't like it when I use the term xenophobic because he doesn't use it. It is a highly nationalistic, we're going to say, society—which I think the country is—and therefore, such a close identification with the United States undercuts her credibility with her own people, in part. And so, I think that it's in her interest to distance herself, to a degree, from the United States, pursuing her own democratic objectives. And I think it's in the interest of the United States to stand back a bit.

And I should mention one other thing. Madeleine Albright teaches a course at Georgetown, and about two weeks ago she said in a course that sanctions have not worked. When questioned, she said they haven't worked because we have expected that other countries would join us in the sanctions. And, of course, other countries didn't join in the sanctions, but the expectation that China or Thailand would join in

this action for sanctions must have been completely unrealistic.

So whether sanctions work—we talked about sanctions and pressure not being co-terminous—I think there is a problem here. And one last thing on the data and prostitution. I said I wanted to see a textile factory on my last trip there in August. And the military said, “Ok, there’s a nice textile factory. It’s a good factory. It’s one of the better factories. Go out and take a look at it.” So I did. Talking to the owner of the factory, wandering around, I’d say it was a good factory.

However, he was the one who said to me, “We’ve got a problem because we’ll have to cut down a lot, and we will have to fire a lot of these women, and we will try and fire those from the rural areas first so we don’t get urban unemployment. It’s politically dangerous. But at the same time, some of these women will go into prostitution.” Now, that is anecdotal and it won’t stand up in any academic setting. At the same time, I think you can’t ignore it. So there’s enough anecdotal evidence, I think, that we have to take the issue seriously.

**Taylor:** I’d just like to underscore the points my colleagues have made, nothing of which I disagree with, other than xenophobia—highly nationalistic I would concede, although there might be several nationalisms in Myanmar. To your final question about why the U.S. makes a difference and why are we so exorcised about the American sanctions—which I don’t think achieve America’s strategic or democratic objectives in the country, and I think they have a contrary effect—it’s that the U.S. is the biggest player on the block.

## **Lack of Foreign Development Holds Back Development**

And when it becomes impossible to deal in the country legally with the dollar as a means of foreign exchange—as American companies and corporations are not allowed to invest, therefore, their foreign subsidiaries don’t do business there, at least not directly—this has significant effects on the country, and it holds back its development.

I’m convinced that the best way to insure that when Myanmar becomes a constitutional democratic country it stays that way is to have a vibrant, economic development strategy and policy, and that it’s actually moving forward. And that’s not going to happen without foreign investment and foreign trade. And I have always found it hard to believe that the United States—which is the epitome of capitalism and the consequences of that for the strength of civil society in this country—thinks that you’re going to create a democratic society in a country like Burma by denying it capitalism. It just doesn’t make sense.

**Questioner:** I want to know about China’s interest in stability in its southern border. It’s a question that I did have a chance once to put to a Chinese diplomat, and the answer was derisive laughter. But I wonder if that really is the case. It seems to me that China has much greater equity in other ASEAN countries, in fact, than it does in Burma—Thailand being one. And some evidence of that is being seen, I believe, in the way that China has managed the kind of military equipment that it has provided to Burma. I don’t know that that’s true. I’ve been told that it is not – that it has decided, deliberately, to impose some limits.

But if anybody has any ideas about China’s goals more broadly, as they would play out

in Burma, and what the cost of that might be, I'd be very interested. And one other question is: what's another strategic reason for engagement with Burma, or for some modification of U.S. policy regarding the potential for terrorist activity by the Muslim minority in Burma?

**Brown:** There are two questions there. David, do you want to take China?

### **China's Policy in SE Asia More Effective than U.S. Policy**

**Steinberg:** I'll take a bit of both, but everybody else can get in. China has been engaged in a very effective, quiet, positive diplomacy throughout all of Southeast Asia. It has been much more effective, I would argue, than the United States' policy in the whole region. It has done that through diffusing the South China Sea issues, having bilateral agreements with all the countries of ASEAN, getting involved in promoting a free trade agreement with the ASEAN region, and investing, in fact, in energy resources in Indonesia, among other things.

So this has been a really very good policy from the point of view of both ASEAN and China. It is the area where China can expand its influences, of course. It can't really do much in Northeast Asia, beyond North Korea and Central Asia, which is another problem. So if you look at Burma in connection with the whole China policy towards Southeast Asia, I think we see that the deepest penetration of China has been in Burma.

And I think that there could be a Burmese reaction to too strong a presence, that illegal immigration and the factors we talked about earlier—that people from Singapore, Thailand, Malaysia, Hong Kong are ethnic Chinese—may be perceived by the people,

if things go badly, as responsible in some manner. And we may get riots in Burma, like in 1967, where violence was directed against the Chinese. And we may even get a kind of Jakarta situation, which would be less bad because the religious issue isn't there.

I have tried to talk to the Chinese Embassy and Yangon about this. I'm sure others have talked to the Chinese at official levels. And I think it's important that we still continue discussions with the Chinese about the need for a prosperous and peaceful country. On the terrorist issue, the Myanmar government has been cooperating with the U.S. on terrorism, as far as I understand. This serves their interests in two ways, at least. One way is through better relations with the United States. They've closed off the street to the American Embassy and they have allowed over-flights. They've done a number of things. And, of course, it serves their interests because of the continuous concerns in Myanmar about the Rohingya rebellion in the Rakhine state. So there's a confluence of interests there that are important, but others will talk more about that, I think.

### **Chinese Seek Access to Myanmar**

**Badgley:** I guess I should say something, since I raised this in my initial comments. I was in China for a year—not in Beijing, but in Shanghai. I had many students from throughout China who had, almost all of them, interests abroad. Some of them had been to Myanmar. And my sense of what the strategic interests of China are perceived as among Chinese is a desire for stability on the rim of the empire, and a desire for access in Myanmar, much in the way the U.S. has access in Mexico.

There's something of a mirror, in terms of attitude. As one found in the United States with the Monroe Doctrine, so there is in China with Southeast Asia. I don't think the Chinese are willing to put military assets against that, except one finds more than anecdotal evidence about Chinese support for those naval ports. I've not been there.

One of our contributors has been to these ports – and I want to pause for a moment to give credit to two women who definitely strengthened our presentation. One is a Burmese, Sang Ra, Dr. Chin, who is active in the mediation, and the other, Helen James, an analyst and a scholar from Canberra who is now affiliated with Cambridge University. They both contributed a good bit in terms of strategic questions in response to what you're saying. Helen has been to those ports, has talked both to Chinese and Burmese who were involved in the construction of those ports.

Obviously, they're of vital concern to India's future because India also has a further India concept. For strategists, it's exciting stuff to look at the next 10 to 20 years, in terms of where Burma fits in a very markedly different strategic landscape than we have had since World War II. From my vantage point, the Burmese military and civilians that I've talked to have a sense of wanting to continue what U Nu had, which is a neutral position, a non-aligned position.

Obviously, they are aligning themselves nominally with ASEAN and Southern Asia in a very astute diplomatic move. I see the same thing with Foreign Minister Li in China, having much the same kind of approach: non-violent, non-military, but definitely aimed at securing their borders in a way that they've not been secured since independence.

**Taylor:** I'd say one word on the Islamic issue and the possibility of terrorism. It is the case that the Rohingya movement, which straddles the border between Bangladesh and Burma, is quite small, relatively speaking, and the number of people involved is not great, although the number of refugees at various times across the border is significant.

And there still seem to be about 20,000 people who are alleged to be Myanmar nationals, still in Bangladesh, who refuse to go back, and they pose a problem for the Bangladesh government. And it's the case that at least some of the aspects of the Rohingya movement were being funded, at one time or another, by Saudi sources. Like a number of these groups which are thrown up as terrorist organizations in Southeast Asia, which were once funded by the Saudis, when the Saudis and other Middle East funds dried up, they went looking for other sources.

And I really don't know enough to say whether these groups have linked up with groups in Afghanistan with any effect or not. The fact that they have drawn attention in some videos suggests they were, but who knows. But the conditions there are right, as anywhere else in Southeast Asia, for those sort of connections to be made. And, of course, the enforcement of the borders in that region and the easy availability of weapons makes that all the much more easier. And I think there the Burmese government and the Thai government and the Bangladesh government have been cooperating quite a bit on those concerns.

**Questioner:** Thank you very much for your presentation, and many thanks for your interest in Burma. After hearing and also reading your papers, I found that there were

some assumptions that you made that I doubt.

One assumption I doubt is related to the moderate group inside the Burma army, which is trying to change very hard. I would like to hear more evidence on that. It's likely that Khin Nyunt will become more hard line. I want to see more evidence so that I can go back to Burma. I really want to see a change in Burma; there are a lot of contradictions in Burma.

**Pedersen:** First of all, I've never met with Khin Nyunt, so I cannot speak from personal experience on what he's thinking. I do know, however, that Aung San Sui Kyi in private said that she does believe that he's genuinely looking for a way forward and that she is prepared to really try to work with him. I do know from personal experience that a number of the ethnic leaders are saying that they do believe that Khin Nyunt is trying to find a way forward. In fact, several of these groups say that the only person they trust in Yangon is Khin Nyunt, I guess for the obvious reason that he is the primary person that they've been dealing with since the ceasefires were first established.

### **Khin Nyunt Has Made Attempts to Improve Conditions for Giving Aid**

Beyond that, there is actually some quite significant evidence of Khin Nyunt trying to improve certain things, as I think I mentioned, beyond the political side of things. We have seen over the last month, for the first time ever, as far as I'm aware, an attempt of beginning to talk about setting up a coordination mechanism within the government for international aid agencies to interact with. This is an attempt to improve conditions for giving aid in the country.

This comes out of Khin Nyunt's office. The person who's slated to get this committee is Deputy Foreign Minister Khin Maung Win, who is also considered one of the more pragmatic leaders within the regime. I've been told by several businessmen that there is a very strong move on the way now, guided by Khin Nyunt, to get the government out of trade and out of commerce, supposedly in an attempt to clean up corruption within the government.

And I think that it was referred to before, that there's been a number of track one and track two diplomatic initiatives that have come underway over recent months, which are also coming out of Khin Nyunt's office. So, apart from the political side of things, I think I certainly feel confident in saying that Khin Nyunt and the people who are working underneath him are trying to rationalize government, trying to put some better structures in place.

Now this is not, obviously, leading to democracy, but it is certainly one part of the thing that has come up. That being said, he very clearly operates under very strict constraints. And because of that, I certainly am not prepared to predict where we're going to be in 2006. I think it is highly unlikely that there will be elections.

I do think it is possible that we will have a constitution and maybe even a referendum, but all of that depends on how things play out over the coming months. It depends on what, maybe, senior hard line conservative people decide to do, but it also depends a lot on what Aung San Sui Kyi, what the ethnic groups, and what the international community decides to do. And I do belong to the camp who says—and there are a lot of people who are saying this now—that it is absolutely critical, if we want to try to exploit this window of opportunity, that we

look for ways to reinforce Khin Nyunt's position within the regime.

And one of the best ways of doing that is if we can give him something to bring upstairs, if you will, that shows that the kind of things he's trying to do now actually carries benefits with them. And as I said earlier, both in terms of internal stability and in terms of the external relations, I'm not prepared to say it's downhill from here.

A year from now, everything could be fine. I think it is also quite possible that everything will have collapsed a year from now. But I think it's very important that we, in the international community, with the limited role that we have to play, make sure that we are not the cause of this process collapsing.

**Brown:** Any other comments from the panel on that? We have time for one more question.

**Questioner:** I went to Burma about two months ago, and I met a friend who owns a

common factory. He told me that because of the U.S. sanctions, he has laid off over 1,000 workers. Before, he had over 1,000 workers. Right now he has about 40 workers left in his factory, and he has released a lot of workers, who are mostly women. He blames it on the U.S. government, because of the sanctions, and that is why I think the sanctions should not be placed and they should be withdrawn. So I suggest that this government change the policy of sanctions. Thank you.

**Brown:** All right. That's a good closing statement.

**Wills:** Thank you all for coming to this discussion. As we've noted, two of these gentlemen will be testifying before Congress this afternoon, with others, on Burma. And we conclude in the hope that we're at the opening stage of an interesting debate and, hopefully, a productive debate. Thank you.

(End)

## About the Panelists

### Panelists

**Dr. John Badgley** is a former faculty member and visiting scholar at Cornell University and the University of Washington. He was previously a faculty or visiting scholar at Rangoon University, Kyoto University, Shanghai International Studies University, Miami University, and John Hopkins University, and president of the Institute of the Rockies. He received a Ph.D. from the University of California, Berkeley. Professor Badgley's publications include *LICUS Assessment of Myanmar* (2002, with Nicole Lekah), *Asian Development: Problems and Prognosis* (1971), and *Politics Among Burmans: A Study of Intermediary Leadership* (1970).

**Dr. Kyaw Yin Hlaing** is Assistant Professor of Politics at the National University of Singapore. A native of Myanmar, he received a B.A. from the University of Mandalay and an M.A. and Ph.D. from Cornell University. He is completing research for a book on Myanmar's post-socialist political economy.

**Mr. Morten Pedersen** works as a Senior Analyst for the International Crisis Group (ICG) and as a consultant on Burma to various governments and international organizations. He is the co-editor and author of *Burma/Myanmar: Strong Regime, Weak State* (2000) and has written a number of reports on contemporary Burmese politics and international policies toward Burma.

**Mr. David I. Steinberg** is Distinguished Professor and Director of Asian Studies at the School of Foreign Service, Georgetown University, where he was also previously Distinguished Professor of Korean studies. He has served as president of the Mansfield Center for Pacific Studies, as a representative of the The Asia Foundation, and as Director of Technical Assistance for Asia and the Middle East at USAID. He was educated at Dartmouth College, Lingnan University (China), Harvard University, and the University of London. He is the author of *Burma: The State of Myanmar* (2001), ten other books and monographs, and over 85 articles.

**Dr. Robert H. Taylor** is Senior Research Fellow of the Institute of Southeast Asian Studies in Singapore. He has conducted extensive research at Rangoon University and has visited Burma frequently since 1975. He has taught at the School of Oriental and African Studies (SOAS), becoming professor of politics at the University of London. He subsequently served as vice-chancellor of Buckingham University. Professor Taylor received his Ph.D. from Cornell University. He is the author of *The State of Burma* (1987) and editor of *Handbooks of the Modern World; Asia and the Pacific* (1991), *Burma: Political Economy under Military Rule* (2001), and *The Idea of Freedom in Asia and Africa* (2002).

### Moderator

**Mr. Frederick Brown** is Associate Director, Southeast Asian Studies at the Paul Nitze School of Advanced International Studies, the Johns Hopkins University. He spent 26 years as a U.S. Foreign Service Officer and was a former staff member for the U.S. Senate Foreign Relations Committee responsible for East Asia and the Pacific. He received a B.A. from Yale University and an M.A. from the University of Colorado. Mr. Brown has published *Rebuilding Cambodia: Human Resources, Human Rights and Law* (ed. 1993) and *Second Chance: The United States and Indochina in the 1990s* (1989).