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Burma-Myanmar: The U.S.-Burmese Relationship and Its Vicissitudes

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Myanmar is in crisis.¹ An interlocking set of political, economic, and social problems faces the present military government, known as the State Peace and Development Council (SPDC). Some of these problems, such as minority issues, were inherited as early as independence in 1948 and inherent in the formation of the state at that time. Some evolved from the civilian administration (1948–58, 1960–62), and some from the previous military government (1962–88). Many problems have been exacerbated by the military regime since the coup, in 1988, that brought the present government to power.

The present state of the Burmese economy is the worst since independence. The World Bank has designated Myanmar a “low-income country under stress,” indicating especially severe developmental problems.² The political stalemate between the ruling military and the opposition National League for Democracy (NLD), led by Nobel laureate Aung San Suu Kyi, forestalls significant reforms in any sector, and the tenuous ceasefires with a multitude of minority groups are fragile. Relationships between the majority Burmans, comprising two-thirds of the population, and multitudes of various minorities remain the most enduring of issues with which any administration in Myanmar must cope. It is an issue that must be addressed at the National

Convention, which is tasked with developing a new constitution for the state, but satisfaction among all parties under any formula is most unlikely.

Burma was a state without ever being a nation with an overarching ethos that promoted national unity. Ethnically fragmented, Burma following independence from British rule on January 4, 1948, experienced a plethora of problems. The Union of Burma was a constitutional parliamentary government led by a disparate coalition of civilians in the Anti-Fascist People's Freedom League (AFPFL), a political party that had been formed against the Japanese at the close of World War II. Although it experienced rebellions from the left and some ethnic strife, its bicameral legislature constitutionally allowed minority representation. Its economic policies were moderate and democratic-socialist, representing the Burman need to retrieve economic power that had been held by foreigners (Europeans, Indians, and Chinese) in the colonial era.

To forestall civil war as the AFPFL political coalition fragmented, the military took over in 1958 for eighteen months in an action approved by the parliament in what was called a constitutional coup, and as it promised, it returned the country to civilian rule after a free election in which the military's preferred civilian party lost. The next two years of civilian rule under Prime Minister U Nu economically and politically failed. He established Buddhism as the state religion. Although Buddhism had always been given special status, this move angered some of the powerful minorities, some of which were Christian, others that were Muslim. The military believed the state was fragmenting, which was unlikely at that time but which gave the military the excuse for decisive action.³ The civilian leadership was arrested and civilian institutions, such as the legislature and the courts, were abolished. This second military coup in 1962 ushered in what was evidently viewed as perpetual military rule by its elite.

Authoritarian repression has been evident in Burma-Myanmar since that time. Before the coup of 1988, Burma from 1962 to 1974 was ruled by a military junta through decrees of the Revolutionary Council led by General Ne Win. A rigid socialist system was introduced under the military-led Burma Socialist Programme Party (BSPP) shortly after the coup. Socialism was to provide both legitimacy and a secular national ideology around which the whole state could rally and replace the still-revered Buddhism as the societal focus.

After extensive political propaganda, a new constitution was formulated, elections were held, and a single-party mobilization system was established under a 1974 constitution modeled on Eastern European precedents. This

was a unitary, centralized state, enforced with power located within the BSPP, which meant military control. Even the modest autonomy previously granted the minorities was rescinded. The periphery was without effective voice. A unicameral legislature, the Pyithu Hluttaw, was a means to legitimate military authority. A single slate of BSPP candidates for election was proposed from the center, and no choices were permitted. Although “elected” representatives were obligated to return to their constituencies to learn the problems of their electorate, the system did not work, as fear prevented criticism of the military hierarchy and its policies and programs.

General Ne Win was the most influential, if not the most efficacious, of the state’s leaders. He was first deputy head of the army at independence, then commander in 1949, minister of defense and sometimes deputy prime minister under civilian rule, then head of the 1958–60 caretaker government, chairman of the Revolutionary Council from 1962, and then from 1974 continued his preeminent role as president of the state until 1980. When he retired from that position, he remained the commanding influence in society through his personal entourage and as chairman of the party until 1988. He was as thoroughly powerful as any dictator in the modern world.⁴ In March 2002 he was effectively marginalized with the arrest and later conviction of his grandsons and son-in-law in a purported attempted coup that seemed to outside observers questionable. Ne Win’s influence was over, and he died in his Rangoon home in December 2002.

Yet in the period from 1962 to 1988, when the World Bank, the Asian Development Bank, Japan, the United States (after 1979), the Federal Republic of Germany, and other donors were most active, the socialist policies of the government, and the absence of political and other rights denied by a ubiquitous military intelligence system, were not issues in their assistance programs.

The BSPP regime failed through economic incompetence, political repression, and minority disaffection, leading to the third military coup, on September 18, 1988, which was designed to shore up the military as the ruler in spite of the earlier failed political and economic programs by the previous military-led government. That military administration changed its name from the State Law and Order Restoration Council (SLORC) in 1997 to the SPDC, but its top leadership remained intact. This fall from political and economic grace—a functioning if creaky democracy with a well-educated elite and an economy with the potential for growth and development—has been precipitous and tragic for its diverse peoples, who remain among the poorest in Asia.

The nexus of political repression, internal rebellions, whimsical and whimsically administered economic policies and programs, social dislocation, and deprivation make Myanmar a case of not only arrested development but also development denied in spite of the potential. The internal traumas spill across borders, affect international relations, and cause humanitarian concern worldwide. All these raise international questions over the future of the state and its peoples.

The Promise

Once called Burma, now officially known as Myanmar, that area of mainland Southeast Asia in ancient times was known as Suvannabumi (the Golden Land), a land filled with promise. From the earliest geographic references, in the second century, the region was considered fortunate. Natural resources were abundant, the area was sparsely populated for its size, famines were unknown in contrast to India and China, and the social system seemed more benign than in many other states. Women in traditional Burma were the equal of men, not subject to foot binding as in China or suttee as in India, and their status was said by European travelers in the early nineteenth century to be higher than that of women in Europe at that time. Burma in the nineteenth century was regarded as the most literate society between Suez and Japan. A late-nineteenth-century guidebook to Burma noted that the traveler who arrived in Rangoon from Calcutta would breathe a sigh of relief as he or she walked down the gangplank.

If in the mid-1950s one were to have speculated on which of the countries of Asia had the greatest opportunity and prospects for economic and social development, Burma would have been rated at the top. It had been the largest rice exporter in the world just before World War II (3.123 million tons in 1940), and an exporter of oil. It held 75 percent of the world's teak reserves and the world's best jade and rubies and even unexplored mineral wealth. Burma had an excellent higher education program, relatively equitable income distribution, extensive English language skills, and a functioning democracy with a British-based legal system and well-trained Burmese lawyers. The status of its women was high. Burma seemed placed for takeoff and participation in the world. It had, to be sure, been devastated by World War II and by a variety of political and ethnic insurrections after independence in 1948. These rebellions reflected the heritage of arbitrary, colonial-imposed boundaries and administration that separated minority areas from Ministerial Burma, or Burma proper, where the Burmans lived. Yet it had

held together and seemed on the road to recovery. Foreign aid organizations of all stripes and pedigrees competed for Burmese attention, as Burma was wooed by all in the cold war. Burma also had a glorious explosion of architectural achievement beginning with the eleventh century at Pagan, an ancient capital and one of the most important historic sites in contemporary Southeast Asia. Its Buddhism to the outside world seemed benign and offered a softer, more humane, approach to the developmental process.⁵

Even in the period of the military caretaker government (1958–60), when democracy was suspended and during which the *tatmadaw* (armed forces) came to temporary power to prevent what might have developed into a civil war between opposing civilian politicians, those eighteen months were universally regarded as ones of accomplishment and success.⁶ Law and order were restored, cities were cleaned up, prices were autocratically lowered in the bazaars, a border agreement was signed with China, and the hereditary authority of the minority Shan *sawbwas* (maharajas) was legally, if not socially, rescinded. The *tatmadaw* expanded the Defense Services Institute, a military-run and -owned conglomerate of many industries that appeared to be extremely effective.⁷

After the military voluntarily relinquished power to a civilian administration, as it had promised, international academics and theorists used the Burmese example as a prime case in the generic study of the military as the most important developmental force in the third world because it was allegedly rational, goal oriented, and developmentally inclined. In retrospect, although one may fault the theoreticians for perhaps being unconsciously influenced by the perceived need of the West to support authoritarian governments in the midst of the cold war, the Burma case offered a certain realistic example of effective military government. This taste of power and its successful conclusion gave the military confidence that it could administer the country and run the economy and, thus, influenced their future role, although with devastating results. The difference may have been in the temporary and effective mobilization of effort in contrast with the later expectation of perpetual military control.

Then why, after such promise, has Burma-Myanmar become a failing or dysfunctional state, or one whose economy has collapsed?⁸ Why has Burma-Myanmar never even approached reaching its potential and, instead, had a per capita gross domestic product of US\$151 in 2001, below that of Laos (with US\$330) and Cambodia (one of the least developed countries in the world, with US\$270)? Why did it take thirty years (1945–75) for its per capita income to reach pre-World War II levels? Was it economic policies,

issues of governance, internal unrest, some or all of these or other factors that have led to promise denied?

What also has caused Burma-Myanmar to have episodically troubled relations with the United States? Was it primarily the cold war? This quintessential neutral state, whose ambassador to the United Nations, U Thant, became the secretary-general of that institution because of Burma's centrality to East-West struggles, was buffeted by conflicting ideological and political forces, prompting the severance of U.S. economic assistance programs on three occasions.

Why, indeed, should the United States once again be interested in this state, ignored for almost three decades? What national interests, if any, prompt the United States to consider or reconsider its diplomatic and economic relations, and how does the history of such interaction color the expectations and realities of both sides? What does the latest involvement of the United States in the region, the war on terrorism, mean to the future of Burmese society, growth, and equity and its contacts with its neighbors and the nations beyond its periphery? Can the United States do anything to assist political and economic change in Burma-Myanmar?

The Reality

Soothsayers picked the date and time of independence and predicted a planned and prosperous future for Burma; U Nu's *pyidawtha* (cool, or happy, land) development program of moderate socialism was the goal. They were proven wrong about the future. Burma's past promise belies Myanmar's present reality.

Myanmar is not in a state of collapse; rather, if collapse indicates a previously economically developing or developed state, then it is precollapsed. As a set of some 67,000 essentially self-contained villages, it could limp along at barely subsistence levels if the state did not make egregious demands on its peasantry. Its recently burgeoning urban population is less dependent on urban services because most have strong and recent ties to the hinterland.

One-quarter of the population of Myanmar, according to the World Bank in 1999, lives below the poverty line and an equal percentage subsist at it, indicating that even a slight economic downturn would pauperize them. Income disparities are growing and becoming increasingly obvious. Rampant and fluctuating inflation—some 30 percent in 2002 but underreported by the state by an estimated 100 percent by knowledgeable observers—destroys living standards, and civil servants cannot live on their salaries.

Malnutrition, even hunger, exists; the extent is not known, but it is thought to be spreading and intensifying. Official statistics, always questionable and optimistic in Myanmar and subject to significant regional differences, indicate that the average family spends 71 percent of income on food alone, of which 20 percent is on rice. Infant mortality is higher than in any other country in the region except Laos and Cambodia.⁹ Wasting affects 30 percent of children under ten years of age. The country's health care is said to be the world's second worst.

Educational standards have declined through school closures (sometimes for years), truncated schedules, inadequate teachers and facilities; a quarter of school-age children do not attend primary school, and only a third of them complete it. Per capita spending in constant currency on education has diminished even as the government has expanded the numbers of students at all levels of education. Private "tutorial" schools have been established to do what the public sector was intended to do—provide education and pay teachers—but these are expensive and the province of the relatively well-off.

Social service spending (health and education) in Myanmar is the lowest in the region as a percentage of the national budget, and its military budget is the highest. Foreign aid is minuscule; except for humanitarian assistance, it is mostly from China. In 1997, when foreign economic assistance to Myanmar was about US\$1 per capita, it was US\$14.70 in Vietnam, US\$41.70 in Cambodia, and US\$82.40 in Laos.¹⁰ The minority areas, through both revolution and neglect, have been denied developmental opportunities. Through a web of tenuous ceasefires (in which, however, the former insurgents retain their arms), the government has access to many of those areas, but in some it is regarded as much the same as a foreign occupying army with its negative implications. Myanmar's military rulers exist in a self-constructed cocoon, isolated from most of the trauma associated with civilian life. The 450,000 troops plus their dependents have their own well-managed and -equipped educational and health facilities, their own distribution mechanisms for food and staples at subsidized prices, housing for dependents and jobs for many of them at military-run commercial factories and establishments, and even their own religious institutions. The Burmese military is a state within a state.

Yet this isolation is only half real. Although largely insulated from external social vicissitudes, the military's power pervades the state to a degree remarkable on any world scale. It can continue because it mandates its own budgets and is autonomous in its internal affairs. It also directly administers the government at all levels and controls the civil service, which is clearly subordinate to the military command. Civil society was essentially emasculated from

1962 to 1988, although since then it has been allowed to expand in apolitical spheres. No pluralistic centers of political power or influence exist beyond the purview of the state except those in direct revolution. It barely tolerates a titular opposition, composed of ten political parties, of which the overwhelmingly important one is the NLD, led by Aung San Suu Kyi. These parties are effectively prohibited from normal political and organizational activities, and many members have been arrested.

The military still offers the greatest opportunities for the advancement of youth, since there are so few others. All avenues of social mobility—education, mass organizations, the *sangha* (monkhood)—are under military supervision. Civil society, in a contradiction of the term, exists on the sufferance of the military command structure; it is, to paraphrase, alive and well and controlled by the government. The private business sector of any consequence is closely monitored and needs military acquiescence to succeed.¹¹ Capital for private economic activities and agricultural improvements is lacking, and incentives are generally absent, as the government owns all the land. Careers for the educated in business are still nascent. The ubiquitous Union Solidarity and Development Association (USDA) with some 16 million members, or about 38 percent of the total population, reaches virtually into every family, is mandated as under military control, and has some quasi-military training as well as general educational functions. It was formed as an alternative to the BSPP, which had failed, and is likely to be used to support the military's position and views in any potential "civilianized" administration.¹² It is also used to turn out crowds for government-organized demonstrations.

The military has its own "private sector" as well, one distinct from public economic activities, the State Economic Enterprises, which it also controls. These include the operation of commercial factories under the Ministry of Defense's Office of Procurement that produce for the civilian market as well as for the military itself: the Myanmar Economic Holdings Corporation, formed as an autonomous organization under the Companies Act, and the Myanmar Economic Corporation, founded under a special edict. These two massive, military-run conglomerates will be outside of control of any future civilian administration. Together they have dozens of joint ventures with foreign firms and employ hundreds of thousands of workers in a wide variety of businesses and industries.

Burmese industry is at the most elementary level of industrialization, swamped by cheaper and better goods smuggled or now legally imported from China and Thailand and further hindered by past jejune economic policies. Politically, although a member of the Association of Southeast Asian

Nations (ASEAN), the regime is regarded as a pariah in much of the industrialized world because of its political repression.¹³

Yet some of the military's national goals and programs, stripped of their excessive rhetoric, are unexceptionable. National unity, better health care and education, and preservation of national culture could be the goals of any developing state. Yet the methods the military employs to achieve these ends are leading to failure. The government believes with reason that its impressive accomplishments in building infrastructure of all sorts have been unappreciated outside Myanmar. But in some sense, the *tatmadaw* perhaps unconsciously equate construction with legitimacy, a very tenuous basis for non-coercive governance.¹⁴

The Causes

Some observers posit one of two causes for Myanmar's faltering. Foreign observers blame internal Burmese economic policies, and many Burmese (especially those in the military) blame foreign interference. Both are partly correct, but neither cause separately or together is an adequate explanation. Internally, macro- and micro-economic policies have been inept and ineptly administered. Externally, there have been problematic foreign influences. It is easy, but perhaps simplistic, to point to the failed economic policies of the governments of Burma-Myanmar, both civilian and military, as the primary forces of economic failure. There is no question that these policies have been more than instrumental in Burma-Myanmar's plight and may even have been the precipitating factors. But these policies are based on fundamental attitudes, which prompted the introduction and acceptance of these policies, not to mention the whimsical changes that continue to affect them.

All the sequential economic policies of the state since independence have failed. Moderate socialism under civilian leadership (1948–58, 1960–62) was poorly administered. Then doctrinaire and autarkic socialism (1963–72) under the military miserably miscarried under an already weakened bureaucracy, further purged by the military of its most knowledgeable civilian members. This was followed by a modified approach to socialism and the pursuit of foreign assistance (1972–88) and finally by the abandonment of the socialist system in 1988 (but not *dirigiste* attitudes toward the private sector) and the introduction of what was said to be a market economy and openings to foreign investment. All have been problematic in conception and execution.

A concatenation of policies has had calamitous effects on the economy, the quality of life, and foreign investment. These include internal planning

and management that have been destructive of Burmese potential, exacerbated by poor macroeconomic policies such as the continued expansion of the money supply, which has fueled inflation (prices in the bazaar by the summer of 2002 had risen about fifteen times since 1988). Generally repressive agricultural production and procurement policies forced paddy sales to the state at far below market prices.¹⁵ Excessive spending on defense (real levels of expenditure are hidden and probably total half of the government's budget), three demonetizations (the last and most disastrous in 1987 and one of the fundamental causes of the people's revolution of 1988), and arbitrary changes in economic investment and trade policies, together with ubiquitous and necessary corruption for lower level civil servants, all contribute to the problems.

The failure of economic, and with it social, performance by all governments of Burma-Myanmar also cannot be attributed alone to external events, although they have contributed to the economic malaise and are often blamed by Burmese nationalists. The optimistic miscalculations (by American advisers to that government) on the world price of rice following the Korean War were detrimental to Burmese economic planning and the delivery of social services; rice exports were less than half of those planned, and prices were lower. Later, the isolation of society and the withdrawal of most foreign economic assistance negatively affected development. Internal rebellions were sometimes surreptitiously assisted from abroad and denied the government effective economic control over perhaps a third of its land area. All Burma's neighbors and Britain and the United States indirectly supported these rebellions for a generation following independence, each for its own nationalistic objectives—the United States to encourage Chinese Nationalist troops to “retake” the mainland, the Thai to protect their frontier, the Chinese to spread communism, the Bangladeshi (East Pakistanis before them) to protect Muslims in the Arakan, and others as well.

These factors resulted in a perceived need for very high military expenditures, and a military rationale of security that remains internally, not externally, focused. The growing costs of imports and the low prices of Burmese exports, the sanctions imposed by the United States, and the Asian financial crisis of 1997 that effectively cut Asian direct foreign investment into Myanmar, all were factors in the economic doldrums into which Burma-Myanmar sank. The latest foreign influences on the economy have been the U.S. sanctions of 1997 and 2003 and the 2003 freezing of Burmese assets, which affects all U.S. dollar transactions going through U.S. banks. But these were not the sufficient or primary causes, which had roots in society itself and in its history.

More basic to an understanding of the dynamics of Burma-Myanmar as a failing economic state are deeply ingrained attitudes toward governance, permeating internal and external economic relations. These stem from a profound sense of vulnerability and a lack of cohesiveness that result in extreme nationalistic, even xenophobic, reactions to economic, social, and political issues. This vulnerability, not unusual in a state that once experienced a colonial occupation, seems to be more pervasive and has lasted longer in Burma-Myanmar than in many other societies because of unresolved ethnic issues and an unfortunate colonial history that is continuously exploited, and embellished, as a cause of current and past woes. Fundamental concepts of governance and power also detrimentally affect social, political, and economic progress.

Burma-Myanmar is a state yet not a nation. The military, echoing the writing of General Aung San who brought independence to Burma, continuously invokes the unity of the diverse peoples of society who have been together “in weal and woe.” Yet the British separation of Ministerial Burma (essentially, the Burman ethnic areas) from the peripheral frontier areas (of minority peoples), which were governed separately on the Indian model (and until 1937 Burma was a province of India and governed first from Calcutta and then from Delhi), further split a society fomenting a lack of ethnic understanding, with suspicions and animosities that remain. Some two dozen ethnically based rebellions were prevalent in the peripheral areas when the SLORC took power in 1988. Within the space of a few years, the SLORC engaged in a series of negotiations, with about three-quarters of them resulting in ceasefires. The minority groups were allowed to retain their arms and to engage in traditional agriculture. The central government is attempting to supply social services to these groups and giving economic investment opportunities (mining, logging) to some.

By using ascriptive notions of ethnicity common in nineteenth-century Europe, and in claiming that the Shan, the Karen, and other groups are ethnic categories embodying living social formations with unique and independent histories, ethnic labels became reified into claims for the existence of political nations within Burma other than that recognized as the “Burmese” state.¹⁶

The numerous attempts by both civilian and military governments to create an overarching national ethos that could unite these diverse peoples have yet to succeed. With at least one-third of society composed of non-Burmans of various levels of political sophistication, population, religion, and potential economic influence, the appeals of Buddhism as the unifying force (although highly important among Burmans) were nationally unsuccessful, even divisive

among significant Christian or Muslim populations. Then socialism as the secular ideology also failed, although it was strenuously pushed by the military, which saw it as having the potential (that Buddhism lacked) to unify the state and to help the state move forward economically. With the demise of socialism as ideology in 1988 (although the state's role in the economy remains pervasive), the present focus by the military on the military itself as the central and unifying element of society has yet to prove itself. History has been rewritten, massive military-related museums built, the past romanticized to show the military's efficacy and *cetena* (good will, actions taken with loving kindness).¹⁷ The vulnerability of national unity, the cardinal element in the military's national goals, remains their most vital concern. The attempted imposition of a national ideology—from communism in the former centrally planned economies, to *juche* (autonomy, self-reliance) in North Korea, to *pancasila* in Indonesia—has failed. It is unlikely that the present emphasis on the military as the unifying force will rally the people, in spite of mass mobilization under military auspices.

This vulnerability is expressed through a fear of foreigners and their influence in society and economy. This attitude, based on historical memory, is understandable, though not unique among former colonies of the great imperial powers. Without exaggeration, it is accurate to state that during the colonial period the Burman population lost control not only over the political processes but also over their own economy. Europeans controlled the big businesses, and the British imported Indians to staff the bureaucracy, to take jobs as skilled professionals, to fill manual labor jobs, to man much of the military, and to work as subsidized indentured labor in the expanding rice-based economy of the Irrawaddy Delta. Indians controlled much of the trading and credit systems as well. Rangoon, Burma's capital, was as much an Indian as a Burmese city. In 1930, 53 percent of the population was Indian. The influx of Chinese both overland from Yunnan Province and by sea from South China filled the bazaars. The Burmans then were not only subordinated in governance, they were also relegated in large part to be mortgaged agricultural workers and petty traders in the bazaars. Although a small percentage of upper-class Burmans had the resources to be educated in England (and later became important in the politics of Burma), they were a limited and elite group.

Thus it was not primarily the Fabian socialism of the London School of Economics that influenced Burmese society, although that school of thought was fashionable at the time of the rise of Burmese nationalism and the struggle for independence and seemed to support Burmese and Buddhist interests.

It was rather the need—economically, socially, intellectually, and emotionally—to get the economy back under Burman control.¹⁸ This has remained a cardinal element of Burmese thinking and is still evident after the 1988 demise of socialist policy and the openings to the private sector, both indigenous and foreign, wherein the government maintains a strongly *dirigiste* attitude toward all businesses. Suspicion of the development of autonomous centers of power in the business community, foreign and domestic, that could subvert control by the center seems also to be prevalent. In spite of some Burmans, including those in the military in their private capacities, making money in trading, there remains a strong suspicion of such activities as exploitive of the population. So in the caretaker government period, the army could simply force merchants to lower prices. As U Nu, civilian prime minister and devout Buddhist, remarked, capitalism bred greed, which was not a good Buddhist concept.

This negative attitude toward foreign intervention and control is not only prevalent in the sphere of economics but was and still is also evident in policy dialogue with foreigners on more fundamental issues and on attitudes toward foreign economic assistance. Pervasive in official announcements is also the belief that Burmese culture (more accurately, Burman culture) is under threat from the imposition of deleterious foreign influences (read, U.S. popular culture) and that subversion of society is the aim of foreigners through intermarriage of different “races” with the Burmans.¹⁹

The perceived vulnerability of the Burman population and authorities to the role of foreigners was exacerbated by the actual and implicit influence and support given by foreign entities to the internal rebellions that plagued the state then—and that continue at a more modest level. Surrounding states, in an earlier era after independence, contributed support to a variety of insurrections: Bangladesh (East Pakistan) to the Muslim rebels in the Arakan (Rakhine), India to the Nagas in northwest Burma and to some of the Chin, the Chinese to the Burma Communist Party, and the Thai at various levels to a variety of insurrectionist “buffer states” along the western Thai littoral (to protect the conservative government in Bangkok from the “radical” regime in Rangoon). British elements have been accused of fostering independence among the Karen, and the United States covertly supported the remnant Chinese Nationalist (Kuomintang) troops who retreated into Burma in 1949–50.

The relationships between individual minority peoples and their ethnic peers across international frontiers have been significant as well, because the borders of the state imposed by the colonial powers were ethnically arbitrary

and took no account of ethnicity. Thus the minorities had stronger external ties than did the Burmans, who were the only major ethnic group completely contained within the state. There is a Shan (Tai) autonomous region in Yunnan (Sipsong Banna), and there are, for example, more Kachins in China than in the Kachin state in Burma, more Nagas than are in India (Nagaland). The Chin in Burma are part of the Mizo group in India (Mizoram), the Karen and Mon straddle the Thai border, and the Arakanese are closely related by religion and culture to the Bangladeshis. This outward orientation was made more acute by the fact that Christian populations were in contact with international Christian movements and that Burmese Muslim groups were subject to Middle Eastern influences. Such outward orientation increased the Buddhist Burman sense of isolation, already exacerbated by the political and economic policy of cutting off the country from the outside world. Significantly, the higher ranks of the military have been stripped of minority officers, and promotions to higher ranks seem to require Buddhist allegiance.

Critical to effective governance in the modern world is a pervasive Burman political culture that affects both modernization and development. Power is conceived of as limited, not infinite, so sharing or delegating it (individually, institutionally, geographically) becomes difficult. As a zero-sum game, to share it is to lose it. Power thus becomes highly personalized, with loyalty not to institutions but to leaders. This results in factionalism; the development of entourages in highly structured and hierarchical relationships; a system of rent seeking to grease the skids of such entourages; control of information (and thus the sponsorship of orthodoxy and control over media and publishing); and the discouragement of pluralistic centers of power (which are in danger of developing in a growing civil society with significant local autonomy and an influential private business sector). Some argue that Burmese politics are atavistic.²⁰

These tendencies are reinforced by a military command system that makes more taut the hierarchical structure and in which the leadership—the single individual who eventually emerges at the apex of the hierarchy—is insulated from external education and concepts, operates with only a limited understanding of external administration and norms, and whose decisions are not to be contradicted, even questioned, yet who is often shielded from unpleasant but vital information as data are manipulated.²¹

Further, the Burmese fear of foreigners and lack of understanding of their operations have been made more evident and palpable through both world developments and their impact on Burma-Myanmar. Although Japan has

been the primary donor to Burma-Myanmar since independence in 1948—supplying more than half of all bilateral and multilateral economic assistance (US\$2.2 billion until 1988)—it is the United States, with its industrialized influence and military power, about which the government seems most concerned.²²

U.S. Interests in Burma-Myanmar

To the United States, Burma was a British preserve until World War II, except for American Baptist missionaries who, mostly in the nineteenth century, worked effectively among non-Burman, non-Buddhist groups, some of whom readily responded to their new teachings. The United States significantly contributed to the campaign to wrest Burma from the Japanese, who had occupied that country early in World War II.²³ At an emotional or ideological level, President Franklin Roosevelt was interested in freeing the colonies from their colonial masters throughout Asia, but little real action took place in that regard. U.S. interests in Burma were essentially a product of the cold war.

The defeat of the Kuomintang Nationalist government in China in 1949 and the formation of the People's Republic of China in 1950, together with the Korean War that same year, gave immediate focus to the anticommunist sentiment in the United States, which had already become apparent in Europe and in the American military occupation of South Korea (1945–48). An official investigative team was sent from Washington in 1950 to the countries of Asia, including Burma, to see what types of assistance the United States might provide to stem this perceived communist advance (communist-inspired uprisings in Burma, the Philippines, Malaya, and Vietnam). Although the magnitude of such aid and the administration of its provisions were nowhere comparable to the U.S. Marshall Plan that had assisted Western Europe in its recovery from World War II for similar anticommunist reasons, the precedent had been set, and U.S. foreign assistance programs soon followed.

Burma was the first country to recognize the People's Republic of China (PRC), and since that time, in spite of problems in the relationship, Burma may have felt it had to be neutral in the cold war and in the Sino-Soviet dispute, but it was always a neutrality in the shadow of a vast China and with an eye on the Chinese reaction. Given the long, indefensible border with China and China's massive population, Burma has always been vulnerable.²⁴ The U.S. aid program started soon after Burmese independence, but because of

covert U.S. and Taiwanese support to the nationalist troops that had fled from Yunnan into Burma (and who, with U.S. prodding, hoped to “re-invade” China and overthrow the People’s Republic), the Burmese government under U Nu was fearful that the Chinese would pursue them into Burmese territory over which the Burmese central government (and indeed Shan state government) had little or no control. In spite of vehement but misleading U.S. denials that the Central Intelligence Agency (CIA) was funding Kuomintang (KMT) troops, the Burmese government stopped the U.S. aid program.²⁵

In 1956 the program was restarted, and it lasted through the coup of 1962 and into the beginnings of the socialist period. It was again stopped in 1964 by mutual agreement because of rigid socialist policies and disagreement about projects, especially the siting of the proposed new road to Mandalay.²⁶ With a change in foreign assistance policy at the first BSPP Congress in June–July 1971 when the decision to seek foreign aid was endorsed, and following the end of the Vietnam War in 1975, the Burmese may have felt more comfortable in requesting the restart of U.S. assistance in 1978.²⁷ Because the previous agreement between the U.S. and Burmese governments on the administrative aspects of the assistance program was never terminated but was just held in abeyance, the program could then easily be resuscitated. That program, focused on basic human needs, lasted until the coup of 1988, when it was once again ended by the United States.²⁸

The cold war and the perceived threat of Chinese expansion were not the only reasons the United States sought to continue good relations with Burma.²⁹ Rangoon, with both Chinese and Soviet embassies active there, was a useful listening post for observing the Sino-Soviet split, and both countries had foreign assistance programs.

The United States was also concerned with the trade in heroin, which was flooding the United States from Burma. Stopping the production and supply of opium—which was converted into a morphine base and then into heroin—became a U.S. priority, so the United States supplied equipment and helicopters to carry out narcotics surveillance and interdiction. The equipment was to be used solely for antinarcotics activities, but it became apparent that it was used against the Karen rebels, who shot one down, and also used to transport military officials on non-narcotics-related trips.

Burmese heroin production at that time supplied some 75 percent of the world market (that “honor” now goes to Afghanistan), but the opium was grown in remote areas of the country over which the central government had no control. The narcotics trade was able to fuel the supply of arms to various

insurgent groups. Although the Burma Communist Party (BCP) eschewed opium production in its territories as long as it was supported by the PRC, when that support stopped, the BCP went into production in the Wa tribal areas. This production continues today, although it is significantly lowered. The U.S. State Department's periodic reporting on narcotics in Burma indicates that although the local military must either acquiesce to or be involved in the production or movement of narcotics, it has no evidence that the central Burmese authorities directly benefit from the trade. Nonetheless, according to some observers, narcotics principals who have surrendered live undisturbed in Rangoon and have invested in legitimate businesses there.³⁰ The United States calls this money laundering. Myanmar is engaged in an extensive antiopium campaign. Production has dropped to 850 tons in 2001 from 2,500 tons at its peak some years earlier, and the Burmese government has destroyed about 8 percent of production.³¹

Since the failed people's revolution against the BSPP military regime, the coup of 1988 designed to shore up military control over society, and the end of the cold war, U.S. interests have been refocused. U.S. concerns from 1988 through the end of the Clinton administration concentrated on the absence of political rights in Myanmar, including the military's denial of the results of the May 1990 elections, which were swept by the opposition NLD led by Aung San Suu Kyi (who had been under house arrest since July 1989). When she received the Nobel Peace Prize in 1991, she became an international symbol of the fight against political oppression. Essentially, U.S. policy from 1988 through 2001 was on a single track: human rights. Economic, strategic, narcotics, even humanitarian issues were not pursued. The human rights policy was in part dictated and supported by an effective human rights lobby in the United States and the industrialized world; the lobby comprises various nongovernmental organizations and expatriate Burmese and is mobilized in large part through the Internet. Reflecting the views of Aung San Suu Kyi, these activists have advocated a boycott on tourism, trade, investment, and NGO activities as providing support to and legitimating that military junta. Some of these positions, such as on NGO operations, have been modestly modified.

Had not the military coup been so brutal in 1988 in repressing the popular riots throughout the country, the United States and the industrialized world would have welcomed the most important economic policy change by the military since 1962: the abandonment of socialism and the opening of the economy to both the foreign and domestic private sectors. Private interests, both U.S. and international, did exploit Burmese natural resources,

most specifically oil and natural gas. The Burmese themselves became a controlled, literate, productive, and low-cost labor force for the production of, for example, textiles and garments. Prompted by Congress (in which no member could be seen to be voting in favor of a “pariah regime”), which in turn was spurred by human rights groups and activists, the United States imposed sanctions in 1997 on all new U.S. investment in the country (an arms embargo had existed since the coup of 1988, and the foreign assistance program, which had been focused on basic human needs, had also been closed down) as punishment for the suppression of political rights.³²

Although the U.S. government, especially the legislative branch that was effectively lobbied by articulate and well-coordinated human rights groups, was reluctant to become economically engaged, other countries were not so reluctant. Until the Asian financial crisis of 1997, which effectively dried up investment in Myanmar, since much of it came from the ASEAN states, approved foreign investment totaled more than US\$6 billion (actual projects were probably one-third of that total). Investment has since restarted, and Myanmar is increasingly used as a site for garment production, as other states used Burma’s quotas for export to the United States.³³ This came to an end with U.S. sanctions in 2003, but Burma’s share of textiles into the United States would have dropped in any case with the end of the Multifiber Agreement on December 31, 2004.

As the internal economic, social, and political ills of Myanmar spread across the borders in the region, the neighboring states and the United States began to pay more attention. Some 130,000 Karen and fewer Mon refugees, fleeing political repression and war, are in camps in Thailand along the Myanmar border. Perhaps one million illegal workers from the Shan state and other areas are either seeking employment or are moving under forced evacuation from what has become free-fire zones, in which the military tries to deny to Shan rebels the bases of local support. Drug trafficking, the exploitation of women for prostitution, and the rapid and alarming spread of HIV-AIDS, where the highest rates in Thailand and China are along the Myanmar littoral, have become regional concerns. The World Health Organization estimates that there may be 420,000 cases; the government, after years of denial, admits to 180,000.

Aung San Suu Kyi, the NLD, and their supporters abroad had vigorously campaigned against humanitarian assistance, foreign investment, and tourism because of supposed benefits to the military and its legitimation. With the deepening of the crisis and the release of Aung San Suu Kyi from virtual house arrest in May 2002, this attitude has been modified. The need

for increased humanitarian assistance to Myanmar mainly through international NGOs, often but not always under the UN Development Program umbrella, has been understood both by the military and the opposition.

Burmese authorities have permitted international NGO activities under individual ad hoc arrangements; now several dozen NGOs have operations in the country, many with resident offices and local staffs. These organizations work with local apolitical groups focusing on everything from rural development, health, nutrition, and education, to microcredit projects and community development. Such international groups offer no threat to local or national authorities. Some are encouraged by the government to work with local arms of state-sponsored organizations, such as the USDA, but in general even groups at the local level have a degree of marginal, noncontroversial autonomy on some local problems. The rationale behind this effort in overall developmental terms is the re-creation of local civil society organizations, which eventually could have a positive impact both on development and on the growth of pluralism in society.

Opium production has decreased markedly in Myanmar, partly due to weather but mostly to the increased efforts of the Burmese government. Yet the shift has been away from poppy production and its agricultural base as a subsistence crop for upland farmers to the chemical production of methamphetamines, which have flooded Thailand and have become a political issue there. Thus continued major production of methamphetamines indicates that the central government cannot or will not control the trade. The Thai estimate that from 700 million to 1 billion tablets were smuggled into Thailand from Myanmar in 2001. Through the United Nations program, the United States has been supporting their antinarcotics efforts. In early 2003, the Thai Thaksin government began a major crackdown on the illegal Thai trade in narcotics, with the resulting death of an estimated 3,000 people: alleged dealers, others associated with the trade, and innocent bystanders. Thai civil rights groups have protested these actions.

Of less concern, but of great potential importance to the United States, is the strategic place of Myanmar. Myanmar is a nexus of potential rivalries among China, India, and the ASEAN states. In the Sino-Indian War of 1962, Burma flanked the still disputed border between those two countries. Although China may not feel a threat from India, the reverse is not true. Indian defense minister Fernandes announced in the late 1990s that China was India's potential enemy. Chinese penetration of Myanmar has been extensive, in the supply of military materiel (some US\$2 billion in arms and equipment), the training of officers, the construction of infrastructure, a

growing influence on the economy, and massive illegal migration into the country to take advantage of clear economic opportunities that are denied to provinces in Southwest China, such as Yunnan.³⁴ Senior General Than Shwe, chairman of the SPDC, went to Beijing in January 2003, where he received approval for US\$200 million in loans and US\$5 million in technical assistance grants. Of concern to India and to Japan (which views China's preeminent role in Myanmar as strengthening the PRC) as well has been the apparent effort by China to gain access to the Bay of Bengal and the Malacca Straits.³⁵ India, which for several years following the coup of 1988 pursued a strong anti-SLORC policy, changed to a policy of accommodation because of the likelihood of continued military control and the apparent rise of Chinese influence. The entry of Myanmar into the ASEAN in July 1997 was, many say, in part prompted by ASEAN concerns to limit Chinese influence in Myanmar as much as by Burmese interests in tapping into ASEAN direct investment in that country and increased international legitimacy. In early 2003 a classified U.S. report was leaked to *Jane's* in London indicating that, in the aftermath of Indian-U.S. cooperation in antiterrorist activities, these two countries agreed to form a strategic association to counter potential Chinese influence in the region.

Thailand, with which the United States has a defense treaty, has had a delicate relationship with Burma-Myanmar. The Burmese destruction of the Thai capital of Ayuthia in 1767 still causes deep resentment,³⁶ and although the Democratic Party government of Thailand under Chuaan Leekpai pushed for more pluralism and better human rights in Myanmar, the government of Prime Minister Thaksin Shinawatra (who was elected in 2001) had closer relations with the Burmese military. In May–August 2002, a proxy war was fought along the border, which was closed from May 22 to October 15, 2002, to the economic detriment of many on both sides, as the Thai-supported Shan state army fought against the Burmese-supported Wa troops over the trafficking of methamphetamines. At the same time, the antipathy of the United States toward the regime in Rangoon is interpreted by that government as an effort to overthrow it because Myanmar is the weakest link in the containment policy of the United States toward China.³⁷

As the economic conditions in Myanmar deteriorated—caused by bad management, unpredictable swings in economic policies, ubiquitous corruption, the Asian financial crisis of 1997, and the sanctions and voluntary withdrawal of some foreign investment—the plight of the Burmese peasantry became a focal point for foreign donors. The UN specialized agencies resident in Myanmar released a statement in June 2001 noting that the situation

had reached crisis proportions and called on potential donors to respond to this as quickly as possible with more humanitarian assistance. In June 2000, various international NGOs resident in Myanmar issued a statement of operating principles essentially eschewing any political intent in their programs.

The perceived vulnerability of the Burmese to U.S. intervention in the eyes of the Burmese military leadership, no matter how far-fetched and illogical to Americans given the paucity of U.S. vital interests in that country, is still palpable in high-level Burmese military circles. In 1988 stories circulated about a U.S. aircraft carrier sent to the Bay of Bengal to prevent the coup, although some argue that if it were there, it was to evacuate resident Americans in the wake of the riots, which at that time seemed out of hand. Burmese military intelligence in the mid-1990s interviewed many prominent Burmese and asked which side they would be on if there were an American invasion. When they were told several years later that the United States has no national interest in invading or intervening militarily in that country, responsible Burmese officials respond noting the examples of Afghanistan, Kosovo, Iraq, Haiti, Panama, and Grenada.³⁸ The fear of U.S. military action, however unrealistic to foreign observers, is palpable to the Burmese leadership. U.S.-Thai military exercises ("Cobra Gold") excite the Burmese. Fear of U.S. intervention may be a factor in the 2005 movement of critical Burmese ministries (defense, home affairs, information, industry, and so on) to the central Burmese town of Pyinmana.

The United States has been the international leader opposed to the military regime in Myanmar. It imposed sanctions and refused to nominate an ambassador (there is a U.S. embassy with a chargé d'affaires). It has denied visas to high-ranking Burmese officials and their families and has stated that the Burmese are not in compliance with U.S. antinarcotics desiderata (even of a lowered bar legislated to enable Mexico to qualify). The U.S. Department of State and members of Congress have complained about human rights and the illegitimacy of the military since it refused to recognize the results of the 1990 elections and essentially vetoed any potential multilateral assistance on political grounds (should Myanmar meet the economic requirements of those organizations). These policies were pursued through the end of the Clinton administration. Some of these policies were initiated by Congress, others by the administration, especially prompted by the close association of U.S. Secretary of State Madeleine Albright with Aung San Suu Kyi. Whatever the source, the Clinton administration did not seem prepared to use up any political ammunition with Congress to fight for policy changes that were less stark in their approach to the Burmese military.

Until 2002 the position of the United States has been to demand that the Burmese authorities recognize the results of the May 1990 election and thus allow the NLD to take control of the government. This has been tantamount to saying to the junta, Get out of power and then the United States will talk to you. This obviously has not been effective. The result of this policy and the polarization of attitudes toward that country has been the lack of any nuanced, moderate policies designed in the first instance to assist the Burmese peoples in dealing with their economic plight. Even the information that is available to the outside world becomes simplistically polarized between that emanating from the Burmese military justifying its actions (or lack thereof) and that from the opposition doing the same. Dialogue for years has been impossible.

U.S. Interests in Burma-Myanmar: Terrorism and Changing Patterns of Relations

In October 2000, the military began a quiet, unannounced dialogue with Aung San Suu Kyi, who was under a modified house arrest at that time. Fostered and encouraged by Ambassador Tun Sri Razali Ismail, the UN secretary-general's personal representative, and backed by Prime Minister Mahathir of Malaysia, this tentative effort at confidence building was well along at the time of the September 11, 2001, attacks on the United States and the subsequent U.S. war on terrorism. These two events, the dialogue and the response to the September 11 attacks, were on parallel paths, which seemed to have merged in 2002.³⁹

The United States sought to expand the search for terrorist cells and training facilities throughout the world, and significantly one important focus was Southeast Asia. Indonesia was the world's largest Muslim country, and one that was said to harbor such cells, but radical Islam had been held in political check by former president Suharto, who recognized that these tenets were destabilizing both to his country and to his regime.⁴⁰ The bombing of discotheques frequented by foreigners in Bali in October 2002 gave new urgency to these worries. Southeast Asia became another center of U.S. concern. This was also the case in the Philippines, in which an active Muslim rebellion had been under way for decades. The United States sent in troops as trainers to the southern Philippines, and supplied equipment, in what has yet to be demonstrated as an effective operation and that seemed more a political statement by the United States than a strike at core al Qaeda organizations. Singapore had unearthed an evident al Qaeda plot to attack

U.S. naval personnel in that country after U.S. troops discovered plans to do so in Kabul.

“Terrorism” has become a popular designation in Myanmar, with meanings varying according to the political position of each party. So the Burmese government calls all dissidents terrorists, and the opposition in that country calls the government terrorists. On the occasion of the visit to Myanmar of the Vietnamese president, Tran Duc Luong, May 5–8, 2002, both countries issued a joint statement of cooperation against terrorism. Shortly thereafter, the annual ASEAN Senior Officials Meeting on Transnational Crime took place in Kuala Lumpur, May 15–17, 2002. The Burmese indicated that there was no evidence that drug money was used to finance international terrorist groups. This meeting was followed by the ASEAN Special Ministerial Meeting on Terrorism, although Myanmar indicated that it was not necessary at that time to join in the trilateral pact on antiterrorism signed by Malaysia, Indonesia, and the Philippines.⁴¹

Myanmar, suspicious of U.S. intentions but fearing a U.S. intervention, demonstrated an interest in improving U.S. relations and was quick to respond in a positive manner to U.S. interests in antiterrorism. The government is said to have supplied the United States with any intelligence information that the Burmese might have, allowed military overflights to the Middle East, and taken steps to protect physically from terrorist attack the very vulnerable U.S. embassy building in downtown Yangon by sealing off that portion of the street on which the embassy is situated. The Burmese government spokesman said, “We then subsequently learned that some of these individuals [Muslim rebels in the Arakan] were actually trained by the Taliban in Afghanistan, as well as in terrorist training camps in the Middle East. The Myanmar government, practicing zero-tolerance policy in such matters, vigorously confronted the activities of this group threatening the national as well as regional security. While the government of Myanmar and the United States have had differences in the years past, we are pragmatically in full agreement that terrorists must be given no sanctuary.”⁴²

A videotape acquired by CNN from al Qaeda in Afghanistan purports to show Burmese being trained by that group inside Burma.⁴³ Any involvement with al Qaeda was denied by the Arakan Rohingya National Organization and by the Muslim Liberation Organization of Burma.⁴⁴ But some Muslims feel that their coreligionists in Myanmar have been oppressed. According to the August 1996 edict issued by al Qaeda, “Massacres in Tajikistan, Burma, Kashmir, Assam, the Philippines, Fatani, Ogaden, Somalia, Eritrea, Chechnya, and Bosnia-Herzegovina have taken place,” and Osama bin Laden is

said to have boasted of having agents in a variety of countries, including Burma.⁴⁵

Burmese motivations for cooperation were probably fourfold: the generalized suspicions of the Burman military authorities toward the Muslims in the country, the fear of U.S. intervention should it be demonstrated that there were al Qaeda cells in the country, a useful and internationally acceptable rationale for cracking down on Muslim groups in insurrection, and a general attempt to improve relations with the United States. It may also be relevant that this served the Burmese strategic purposes as well, since the Chinese had expressed interest in cooperation with the United States on the war on terrorism because of their vulnerability to the fundamental Islam of the Muslim Uighur population in Xinjiang Province. On August 1, 2002, Myanmar signed the U.S.-ASEAN Joint Declaration for Cooperation to Combat International Terrorism at a meeting in Brunei, which the U.S. secretary of state attended.

More fundamentally, the Burman-Muslim relationship has been uneasy since the colonial period. Although official Burmese statistics indicate that about 4 percent of the population is Muslim, Muslim sources say the figure may be as high as 10 percent. Buddhist-Muslim riots broke out in the 1930s as a result of charges that the Muslims were defaming Buddhism. Whatever may have been the immediate religious causes of the attacks, more fundamental economic rivalries certainly have played an underlying role, especially during the depression era, when Burma was hard hit. There have been vicious charges for decades that Muslims are out to subvert the Burman "race" by paying Muslim men to marry and convert Burman Buddhist women: the higher the status of the women, the higher the reward.⁴⁶ Most important, there has been continuous trouble in Rakhine state (Arakan) with the extensive Muslim population there. The area on the Burma side of the Burma-Bangladesh (formerly East Pakistan) border is essentially Muslim territory. There has been since Burmese independence a Muslim autonomy or independence insurrection in that area, supported first from East Pakistan and funded with Middle Eastern monies. Suspicion of Muslims has been traditionally important and has been exacerbated by these separatist movements. Harassment and attacks by the Burmese military in the late 1970s, ostensibly checking on citizenship and related matters, led to an exodus of some 200,000 Muslim refugees from Burma into Bangladesh; they were repatriated by the United Nations only after considerable time. A similar problem arose in the early 1990s, resulting in another movement of about 200,000 Muslims into Bangladesh, where some 20,000 still remain after the

others were repatriated under UN auspices. There were also anti-Muslim riots in Sittwe (Akyab).

Violence against Muslims has also been apparent in other areas, most recently in Toungoo, Prome, and Pegu in 2001 and in a variety of other cities.⁴⁷ In May 2001, more than a thousand people led by monks attacked Muslims and their shops, homes, and mosques in Toungoo. In Prome in October 2001, and in February 2001 in Akyab (Sittwe), riots broke out, resulting in curfews in both cities.⁴⁸ Although reports have often said that the destruction of mosques and the burning of Muslim homes were triggered by personal incidents, not by political motivation, there are charges that the military may have deflected and focused dissatisfaction against the regime and its economic failures on to an unpopular minority.⁴⁹ Yet it is also obvious that the military has been fearful that such religious antagonisms might get out of hand. It suppressed all reporting and mention in the controlled press of the Taliban's destruction of the large Buddhist statues in Bamiyan, Afghanistan, for fear of Burman Buddhist violent actions against Muslims and their property. Yet reports indicate that some fourteen people were killed, and much larger, unconfirmed estimates indicate that perhaps hundreds have died.

Burmese government cooperation with the United States and the beginnings of an improvement in relations, however tentative, had come with the Bush administration's temporary tempering of policy toward Myanmar. In its February 2002 assessment of the previous six-month situation in Burma-Myanmar by the U.S. Department of State, for the first time there was a movement away from the ritual of demanding that the military step aside and honor the results of the May 1990 election and bring the NLD into power. In that document, the May 1990 election was not mentioned, and instead the U.S. Department of State called for progress in the process of democratic governance and improvement in human rights and indicated that the United States would respond positively to such changes.

This quiet yet substantial change, modifying the personal diplomacy that had developed between Madeleine Albright as U.S. secretary of state and Aung San Suu Kyi, opened the way for the release of "the lady," as she is referred to in Rangoon, from house arrest in May 2002. It seems apparent that with Aung San Suu Kyi having access to key U.S. congressional figures, if she had not acquiesced to such a change in advance, there would have been an outcry from Congress.⁵⁰ This has not happened, although the United States has not yet changed its policies on other aspects of the relationship with the regime, such as sanctions and withholding an ambassadorial appointment to Rangoon.

Frustration with the lack of anticipated dialogue, and perhaps prompted by pressures from the Republican-controlled Congress following the November 2000 elections in the United States, the administration quietly readjusted its policies in late November,⁵¹ reverting to its insistence on honoring the results of the May 1990 election and refusing to recognize that Myanmar was in compliance with the anti-narcotics criteria, criteria that had been lowered to accommodate Mexico's compliance and with which Myanmar would have complied.

The year 2003 brought further regression in the developed world's relations with Myanmar. The United States took the lead in protesting the regime's actions. Myanmar had already been buffeted by a bank crisis in the spring, when a type of pyramid scheme by bank-related financial institutions that had offered 5 percent interest a month on investments collapsed. Then, as Aung San Suu Kyi continued to make government-approved travels throughout the country that met with enthusiastic responses, including those in minority areas, the military appears to have ordered their controlled civil groups to ambush the opposition motorcade one night in Central Burma. In the resulting melee on May 30, 2003, the government claimed that four people had been killed, but opposition and other credible observers claim some seventy had died. Aung San Suu Kyi was barely saved from harm and was then whisked into "preventive detention," which once again became house arrest. Although the government claimed that the opposition fomented the disturbances, this was not credible. Observers indicate it was ordered from on high. The dilemma facing the government was whether to release Aung San Suu Kyi and placate international opinion. She might have demanded justice for the deaths of her supporters—and thus further embarrassed the regime. The previous dialogue was not only over, the level of distrust and acrimony had fallen to new lows.

In response, the U.S. Congress quickly passed the Burmese Freedom and Democracy Act of 2003 on July 28, 2003, followed by an executive order. The measures imposed had long been advocated by Senator Mitch McConnell, who had become the Republican whip and thus of singular importance to the Bush administration. These introduced sanctions against all Burmese imports into the United States, extended the ban on higher-level travel by Burmese officials of the USDA, and froze Burmese assets. This sweeping legislation stopped the export of Burmese garment manufactures (worth some US\$356 million and the second-largest foreign exchange earner—after natural gas—of the state) and also halted the activities of most financial transactions from most countries (as they often went through U.S.

banks), including temporarily the payments of foreign embassies in Myanmar and the humanitarian activities of nongovernmental organizations, most of which operate in U.S. dollars. Even educational materials were not exempt from import restrictions, although this was rescinded a month later. Although Myanmar began operating in other currencies, and NGOs were granted licenses to operate in the country, these acts were emotional reactions that forced the nationalistic military rulers into articulated resistance. To resolve this dilemma, a solution that involves face-saving measures for all three parties—the military, the NLD, and the United States—needs to be sought. For the first time, higher-level military and civilians were calling for some form of foreign adjudication.

Future Issues for Burma-Myanmar

The gentle glacial thaw in Burmese-U.S. relations was welcomed as long as it lasted, and although it seemed as slow as global warming, it was over by the late spring of 2003, when confrontation and mutual recrimination became the norm. The Malaysian prime minister Mahathir, in an August 2002 investment trip to Myanmar, advocated a slow and deliberate return to democracy, and this was echoed by Prime Minister General Khin Nyunt. The situation has since deteriorated.

The global hegemony of the United States in terms of its superpower status gives it only limited leverage in various regional situations, and Myanmar is one such case. Because of the war on terrorism, the United States will have to pay more attention to the ASEAN countries, to which the United States has generally responded only in times of stress, as in Indonesia during the Asian financial crisis of 1997 and the fall of Suharto. This, and the slow, but now defunct, movement toward some form of political accommodation within Myanmar, might have meant a greater and more positive role for the United States, although this possibility has now definitely faded. The United States vigorously and publicly lobbied against Myanmar's entry into the ASEAN in July 1997 at its meeting in Kuala Lumpur. The United States agreed in the summer of 2002 to support an anti-AIDS education campaign to which both the military and the NLD agreed in principle. But to enable the United States to resume full, normal relationships with Burma-Myanmar will require extraordinary measures. The Republican leadership in Congress has vigorously opposed amelioration of the U.S. policies, and such attitudes have been reinforced by the seeming intransigence of the SPDC leadership, specifically Senior General Than Shwe, toward political liberalization.

It is relatively simple to impose sanctions on any regime; it is extremely difficult to remove them because there is a tendency for the goal posts, as the Burmese have said, to be moved and more demands placed on a target administration based on the political agendas in the sanctioning country. Any solution to the political problems of Myanmar will require compromise and likely fall far short of the absolutist human rights and justice positions demanded by some of the most vocal of the opposition supporters abroad. When the NLD compromises in some manner, these supporters may feel betrayed as they have regarded the Burma-Myanmar cause as one of the most clear-cut moral political issues in the world. Convincing a U.S. administration to use up political good will with Congress on Burma-Myanmar, when it is one of the lowest priorities on the complex Asian policy agenda facing the administration, is highly unlikely.

Chinese relations with Myanmar will come in for more scrutiny. The Burmese may be fearful of China's potential role, but they may play their "China card" by arguing for greater U.S. flexibility on Myanmar political issues in return for limiting Chinese influence. If they were to take such an approach, they may find that Chinese penetration is already too extensive to be pushed back. Whether the United States characterizes its relationship with China as "containment" or "strategic competitor," it will have to examine more closely Myanmar's relationship to China and its importance as the prime example of Chinese economic and security influence and expansion in Southeast Asia. Myanmar has become a strategic nexus in Southeast Asia.

Because of their influx, access to credit through informal channels, and knowledge of international markets, the Chinese may compose the future middle class in Myanmar, with the danger that the Burmese once again will see their economy slip under foreign control. China needs to be convinced that the present stasis will lead to instability in a country that the Chinese have said is in their direct national interest and, thus, that Myanmar must reform in some appropriate manner. For political progress a timetable is needed, but the Burmese authorities have been most reluctant to agree to such an approach, although they have been asked many times by a variety of governments. It is likely that whatever compromise evolves over time, the military will retain veto power over the essential issues facing what it regards as state survival. This should come as no surprise, as this has been the situation since Burmese independence in 1948. The issues on which compromise is unlikely and that the military will want to control, in addition to prevention of retaliation against individual army officers for crimes committed, are the autonomy of the military and its budgets and operations, the independence

of the military-controlled private industrial and business interests, and most important, the unity of the state.

Although international attention has been focused on immediate political and human rights issues, the most intractable problem facing that country is the development of some fair and equitable (to all parties) distribution of power and the assets of the state among the various ethnic groups in the country. This is a problem no administration has yet resolved, and it is likely to be the most difficult of issues. This requires at the same time, or as a result, the formulation of an ethos that will move the country from a state to a nation. It is likely that such an ethos cannot be mandated by a government all too prone to intervene in the ideological and intellectual activities of its citizenry. It is evident that the most effective means to garner such support is through fears of an external enemy, real or imagined. This was the case in 2002 with the Thai-Myanmar border dispute. The potential role of the United States as such a danger is always in the background.

The dilemma for foreign governments is whether isolation or engagement will alleviate or solve the present impasse in Myanmar. The United States, often backed by the European Community, believes that isolation will topple the military, while Japan, Thailand, and the ASEAN countries consider that engagement will be more effective. Neither approach has proven adequate to the task as of the summer of 2003, but the history of Burma-Myanmar suggests that isolation is less likely to be effective. The Burmese believed they could retreat into isolation, as theirs was a rich country. This is no longer true, and isolation is no longer possible. General Ne Win could cut the country off in 1962; General Than Shwe cannot do so today. International news pours into the country through television dishes, through tourists, and through international publications (though censored). The resource base of the state has been mismanaged and is not as productive as it once was, and demographics have changed the country's population. Globalization and the advancement of all of Myanmar's neighbors, and their attractions for jobs and goods and services, are now too important. Isolation is not an internal option and is a questionable external one as well.

Since 2004 the situation has deteriorated. Prime Minister Khin Nyunt, head of military intelligence and the junta member responsible for and most interested in international relations, was dismissed for tolerating corruption, tried, and found guilty but given a suspended sentence. His large entourage was dismissed, limiting the capacity of military intelligence to prevent terrorist-type bombings in Rangoon and Mandalay in the spring of 2005. The junta in July 2005 determined that it would not host the 2006 ASEAN

summit, as ASEAN was under strong pressure from the United States and the European Union to prevent this, but the military continues to claim that it will adhere to its road map of completing the National Convention, formulating a new constitution, holding a referendum on it, and then having a multiparty election leading to what it calls disciplined democracy. Until the constitution is completed, there is every indication that Aung San Suu Kyi will remain under house arrest. This effectively limits any improvement in U.S.-Burmese relations. The movement of government ministries upcountry to Pyinmana may be an indication that the military is turning more inward, relying on its own resources and assistance from China and India.

The United States is usually suspect—treated with suspicion as advocating the breakup of the state. Minimally, the United States together with the countries bordering Myanmar could publicly reaffirm the territorial integrity of the state. This is, of course, simply reaffirming the status quo, but it might prove to be a useful reminder that the United States regards the development of a viable, prosperous, and united Burma-Myanmar as in the U.S. national interest.

It is also apparent that if there were to be a road map or a set of benchmarks, the United States should not simply list all the reforms that it feels are needed, but rather it should indicate specific reactions that would follow from positive Burmese actions. This has already begun in the field of antinarcotics programs, in which the United States has indicated the specific steps needed for the U.S. administration to certify that Burma is in compliance with its antinarcotics criteria. Such changes in Myanmar might include a joint SPDC-NLD movement on a new constitution, a timetable for its completion, the release of political prisoners, the announcement of new elections, economic reforms and stabilization efforts, and so on. The United States then could sequentially, as each action is announced or takes place, lift the ban on visas for high officials; nominate an ambassador; agree to lift restrictions on Myanmar seeking World Bank, International Monetary Fund, or Asian Development Bank support if Myanmar meets their economic criteria; agree to the removal of sanctions; and at some point provide an appropriate level of foreign assistance.

At the same time, the United States should encourage, or offer no objections to, NGOs working in that country on humanitarian assistance projects; it should also support Japanese efforts to increase humanitarian support.⁵² But full-scale developmental assistance from any source should be dependent on changes in economic policies. One lesson from the aid programs of the 1970s and 1980s was the lack of substantive economic policy changes in that

period: too much unrestricted assistance was provided without concurrent economic progress. Admiral Dennis Blair's proposal to fund antiterrorism training for the Burmese in Defense Department programs, to establish "a few effective connections with the newer elements of the military could (also) make a difference in our ability to ameliorate both change and the future in Burma."⁵³

Change is inevitable in Burma-Myanmar. It may be slow and tortuous, but it will come. But to delay considering the future of that society while awaiting reform would be unconscionable. There is a need to begin now with capacity building. The country has lost 1 percent of its educated population (not counting refugees and migrant workers) through legal and illegal emigration to escape political repression, through ethnic discrimination, and through economic stasis. It cannot now manage expanded programs in basic human needs, in economic planning, in public administration (including administration by minority groups in their own areas), in business administration, and in the management of the foreign aid process itself. Training, internally and externally, is needed now, without waiting for reform, for if one awaits reform to begin such training, there will be a hiatus that would be detrimental to improving the lives of the citizens when the inevitable political change occurs. It is in training that the United States has comparative advantages, and it is here that some form of U.S. developmental assistance might be appropriate and useful.

Whatever the solutions to the problems of Burma-Myanmar, optimistically there is likely only to be an amelioration of the problems rather than a resolution of the critical issues facing the state. Neither the military, nor the NLD, nor an amalgam of the two will easily resolve the issues. If that time comes, they will be dealt with in Burmese fashion: the opposition would probably say *bama-lo* ("in the Burmese manner"), and the government might well counter *myanmar-lo* ("in the Myanmar manner"), but whichever it is, it will come from the efforts of the Burmese peoples and will not be imposed by foreign powers or organizations, no matter how benevolent their motivations.

Notes

1. In 1989 the Burmese military, following the coup of 1988, changed the name of the country from Burma to Myanmar, the latter a written form of the name of the state. Since the opposition believed the military regime to be illegitimate, it has refused to accept this change. The use of either term has become a surrogate indicator of political persuasion. The United Nations uses Myanmar, the United States prefers Burma. In this chapter, Myanmar is used for the state from 1988 on and Burma for previous periods; both are

used together to indicate continuity. Burmese is used as an adjective and as the designation of all citizens of the country, while Burman refers to the dominant ethnic group. These terms are used without political implication. Other names have been changed as well, such as Yangon for Rangoon, although the latter is used here for the sake of familiarity.

2. In December 1987, Burma was designated by the UN as a “least-developed nation,” at its request, allowing it to receive more favorable loan terms. This designation was inappropriate, as Burma’s literacy rate was too high to qualify, but the “effective” literacy rate was readjusted downward to enable it to conform to the UN criteria.

3. Under the constitution of 1947 the ethnic compromise allowed the large and powerful Shan state and the smaller Kayah state to opt for independence after ten years and a referendum. Although the option was unrealistic, the British required such encouragement of unity before it would grant independent status to the whole country.

4. After the coup of 1962 Ne Win was in legal and extralegal command of the state until his “retirement” from the party in 1988, after which he still exerted influence over critical decisions until 2002, or so many Burmese believe.

5. In the volume *Small Is Beautiful: Economics as if People Mattered* (London: Blond and Briggs, 1973), E. F. Shumacher articulates an alternative approach to development, largely based on the Burmese model and ideal.

6. The umbrella Anti-Fascist People’s Freedom League (AFPFL), in power since independence, split because of personal loyalties. The military told civilian prime minister U Nu that they had to take over to prevent civil war; U Nu then had legislation passed making their temporary role constitutional.

7. Military personnel salaries and facilities were not cost-accounted, so whether in strict economic terms these ventures were sustainable is not known. At the close of their rule in 1960, the military published a volume on their accomplishments entitled *Is Trust Vindicated?* It obviously was in military eyes. The picture on the dust jacket of the volume was Hercules cleaning out the Augean stables.

8. Per capita income and most economic data in Burma-Myanmar are notoriously unreliable because of a combination of factors: the difficulty of collecting statistics, multiple exchange rates, an undocumented but vigorous black market (which may be larger than the formal economic sector), and manipulation of data for political purposes.

9. In 1999 infant mortality was said to be 47.1 per 1,000 live births, but this figure is suspiciously low, given the lack of medical care and the inability of the state to monitor diseases and deaths. Singapore’s infant mortality, in stark contrast, was 3.3 the same year. UN Economic and Social Commission for Asia and the Pacific, Statistical Division, 2001. The CIA *World Factbook 2002* gives Burma’s infant mortality for 2002 as 72.11; other estimates are 71 for infants and 105 for children under five.

10. Asian Development Bank, *Country Economic Report, Myanmar*, vol. 2 (Manila, 2001).

11. Kyaw Yin Hlaing, “The Politics of Government-Business Relations in Myanmar,” *Asian Journal of Political Science* 10, no. 1 (2002).

12. The model seems to be Suharto’s GOLKAR, a mass organization supporting the military, which eventually became Suharto’s political party.

13. More accurately, perhaps, it is a pariah not only because of its human rights record but also because after it called for a free election, in which its favored party disastrously lost, it refused to recognize its results. Ironically, the regime may have been more tolerated

abroad had there been no election and simple repression, for expectations would have been lower. The ubiquitous repression from 1962 to 1988 prompted little world attention, as Burma took itself off the world's radar screen. For the past decade or so, however, more worldwide attention has been focused on human rights.

14. The incessant construction about the country has resulted in many new bridges, roads, railroads, dams, and irrigation facilities. Although this may be an investment for the future, the costs for such construction must be exceedingly high in an economically fragile state and are probably accomplished by the excessive and secret printing of currency and by the use of *corvée* labor. Critics question whether some of those funds might have been better used for social products of more immediate use.

15. In early April 2003, the government announced it would no longer purchase paddy from farmers under forced procurement procedures. The state uses such foodstuffs for the military, as a benefit to civil servants, and for export. The purpose of this liberalization may have been to stave off rural discontent, but some required procurement at less than market rates has been reinstated.

16. Robert Taylor, *The State in Burma* (University of Hawaii Press, 1987), p. 286. The military claim there are 135 "races" in Myanmar. This figure is from a colonial period analysis of various linguistic groups and dialects. Until it suited their purpose after 1988, the military had denied the existence of minority problems.

17. When this important Buddhist concept is employed to explain, and inherently justify, military actions as it often is, the implication is that the benevolent motivation behind the action cannot be questioned in the Buddhist context.

18. There are interesting parallels between the birth, importance, and implementation of socialism in Burma and in Tanzania, although they seem to have been parallel, not causal, phenomena.

19. This has had obvious political implications against Aung San Suu Kyi, whose husband was British, but it also is used against the Muslim community, which is accused of intentionally subverting the Buddhist population. Those "foreigners," who are not of the indigenous ethnic groups, must prove that their ancestors lived in Burma before 1824, the time of the First Anglo-Burman War, which brought Indians into part of the county (the Arakan and Tenasserim regions, which were ceded to England as a result). Otherwise, they become second-class citizens under the 1982 Nationalities Act and are not eligible for certain government positions and educational opportunities.

20. Maung Maung Gyi, *Burmese Political Values: The Socio-Political Roots of Authoritarianism* (New York: Praeger, 1983).

21. The isolation of General Ne Win from unpleasantness was apparent, and this is said to be the case with Senior General Than Shwe, chairman of the SPDC. General Ne Win remarked in 1986 that the government had to stop lying with statistics. Anecdotal evidence points out that production figures, for rice for example, were politically mandated, in one case to rise 10 percent in one year, and this increase was so reported. Personal communication from Myanmar official.

22. David I. Steinberg, "Japanese Aid to Burma: Assistance in the *Terenagashi* Manner?" In *Managing Japan's Foreign Aid. Power and Policy in a New Era*, edited by Bruce Koppel and Robert Orr (Boulder, Colo.: Westview Press, 1993).

23. In the 1990s, some of the U.S. survivors of the Burma campaign raised funds for an agricultural school for the descendants of the Kachin, who helped them during the war.

24. It is said that General Ne Win was against any family planning programs because he wanted to increase Burma's population relative to that of China. Chinese control of, and immigration into, Yunnan Province bordering Burma only took place during the Ch'ing Dynasty (1644-911), and their expansion into northern Burma was said to have been halted by virulent malaria in that region.

25. The results of the Kuomintang (KMT) incursion were numerous. Although many were evacuated, many remained in Burma and supported themselves by expanding the opium trade, which had been legal on a small scale before. Many of the KMT troops moved to Northern Thailand, where they continued this trade and became wealthy and influential in some of the northern provinces. In order to fight the KMT and to keep the Chinese communist troops out, the Burma army moved in and began to administer areas of the Shan state, thereby gaining both the experience in management and the conviction that they could do a better job than civilian politicians and the civil service. Later, however, a joint PRC and Burmese offensive was launched against the KMT remnants.

26. The original Kipling "Road to Mandalay" was, of course, the Irrawaddy River.

27. Although evidence is lacking, it seems possible that the Burmese informally asked the Chinese their views on inviting the United States to provide assistance, and the Chinese, who were interested in improving relations with the United States at that time, concurred. The author was the leader of the USAID team that explored and recommended the reopening of the aid program. See David I. Steinberg, *Burma's Road toward Development: Growth and Ideology under Military Rule* (Boulder, Colo.: Westview Press, 1981).

28. David I. Steinberg, *Burma: The State of Myanmar* (Georgetown University Press, 2001).

29. Chinese Nationalist and early PRC maps included northern Burma as part of China, so these fears were not as farfetched as might be imagined later.

30. Other authorities might dispute this claim. In June 2002, the Burmese government passed an anti-money-laundering bill with the strong approval of the United States. This is not *ex post facto* legislation, however. The Burmese authorities deny all involvement in the drug trade and claim they are doing all in their power to stop it.

31. See *Myanmar Opium Survey* (Government of Myanmar, 1996). The government is involved in what it calls the New Destiny Project, which aims to eliminate opium production altogether by 2015.

32. Some members of Congress wanted an imposition of sanctions on all past and future investment, but the administration reached a compromise on only future investment. Trading, as contrasted to investment, was still allowed until the sanctions imposed in the summer of 2003.

33. The total imports of textiles from Burma in 2001 were about US\$420 million, of which US\$356 million were to the United States. Most of the factories are owned by Chinese, Taiwanese, and Korean firms. Foreign investment *approvals* by the Burmese government are over US\$7 billion, but perhaps only one-third of that amount has actually been invested, and new investment has virtually been stagnant since 2003. The overall foreign investment figures usually quoted for Myanmar are not accurate. Since almost all Chinese investment does not go through the Myanmar Investment Commission, the Chinese contribution to the total is misleadingly small: cumulatively, Chinese investment may be the largest of any country. Chinese illegal immigration into Myanmar has been extensive, and

investment in businesses, hotels, and real estate are sizable, especially in Mandalay and the area to its north.

34. Thomas M. Carroll, "China's Penetration into Burma: Extracting Meaning from the Buildup of Burma's Infrastructure," master's thesis, Georgetown University, July 2001. Mandalay, the seat of Burman culture, is now said to be one-quarter Yunnanese Chinese, and Lashio in the Shan state is about 50 percent Chinese.

35. John W. Garner, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century* (Washington University Press, 2001); *Jane's Foreign Report*, April 3, 2003.

36. Thailand, in spoken Burmese, is still called Yodiya. In June and July 2002 the English-language-controlled press in Myanmar referred to Thailand as Yodiya, an apparent insult resulting from what should have been a minor military dispute along the border.

37. Lt. Colonel Hla Min (a government spokesman), "Political Situation of Myanmar and Its Role in the Region" (Yangon: Office of Strategic Studies, Ministry of Defense, 1998).

38. Personal communication from a military official, Rangoon. In the summer of 2003, military authorities undertook a one-to-three-month paramilitary training program for males under fifty years old. At least in one area, people were told that this was so that they could put up resistance to the Americans and buy time until the Chinese came to their aid.

39. David I. Steinberg, "Myanmar: Reconciliation in the Process?" in *Southeast Asian Affairs 2003* (Singapore: Institute of Southeast Asian Studies, 2003).

40. Suharto used the doctrine of *pancasila* as a national ideology, thus foreclosing the imposition of an Islamic state. The call for a more fundamental Islamic administration was a primary cause of the Aceh rebellion in north Sumatra, along with the sharing of Aceh's considerable contribution to Indonesia's exports through its extensive energy resources.

41. *Straits Times*, Singapore, May 21, 2002.

42. Agence France-Presse, August 8, 2002, quoting Myanmar Information Committee Information Sheet C-2311 (I/L) of August 7, 2002. The Indian press has been concerned about an international Muslim group called Tabliq, supposedly supported by the Pakistanis and operating in Myanmar. *Boston Herald*, December 26, 2001.

43. This is disputed by Bertil Lintner (Asia Pacific Media Services Limited, October 1, 2002), who asserts that the camps were inside Bangladesh and run by the Rohingya Solidarity Organization (RSO); personal communication from Bertil Lintner. This group's activities in Chittagong, Bangladesh, have been monitored by the Burmese authorities, who have noted that in May 1994 Rohingya rebels have received training, funds, and rewards from supporters from a variety of Muslim states, and that same month eight RSO members were sent to Libya for training.

44. Associated Press, August 26, 2002; BBC, August 10, 2002.

45. Rohan Gunaratna, *Inside Al Qaeda: Global Network of Terror* (Columbia University Press, 2002), p. 89; BBC Worldwide Monitoring, August 10, 2002, from the Irrawaddy website.

46. "Over the decades, many anti-Muslim pamphlets have circulated in Burma claiming that the Muslim community wants to establish supremacy through intermarriage. One of these, *Myo Pyauk Hmar Soe Kyauk Hla Tai* (or the *Fear of Losing One's Race*) was

widely distributed in 2001, often by monks. . . . Local Buddhist monks have often been at the center of these campaigns. According to Burmese Muslim leaders, distribution of pamphlets in 2001 was also supported by the Union Solidarity and Development Association (USDA), a government-sponsored mass organization that fulfils a social and political function for the military.” Human Rights Watch/AsiaWatch, “Crackdown on Burmese Muslims,” briefing paper, October 4, 2002.

47. AsiaWatch, *Crackdown on Burmese Muslims* (July 18, 2002).

48. Ibid.

49. It is charged that in 1967 the Ne Win government redirected popular unrest over deteriorating economic conditions by encouraging rioting against the Chinese at the height of the Cultural Revolution. Several dozen Chinese were killed and many shops were looted.

50. It is of course possible that this change was first suggested by Aung San Suu Kyi and that the United States agreed to it. Senator Mitch McConnell, a longtime foe of the Burmese military, in a statement released on September 13, 2002, called for regime change in both Burma and Cambodia, similar to that advocated by President Bush in Iraq.

51. Speech by Assistant Secretary of State for East Asian and Pacific Affairs James Kelly at the Johns Hopkins University School of Advanced International Studies, November 23, 2002. But a State Department report stated, “Should there be significant progress in Burma in coming months on political transition, economic reform, and human rights, the United States would look seriously at additional measures that could be applied to support the process of constructive change. Absent progress, we will be forced to consider, in conjunction with the international community, additional sanctions and/or other measures.” U.S. Department of State, “Conditions in Burma and U.S. Policy toward Burma for the Period September 28, 2002, to March 27, 2003.”

52. The term *humanitarian assistance* may be too broadly interpreted, as some have charged that the Japanese have done. Perhaps *meeting basic human needs*, a phrase that was in vogue some years ago, may be more accurate and appropriate and would limit assistance to health, education, agriculture, and so forth.

53. *Far Eastern Economic Review*, June 20, 2002.