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## Modifying U.S. Burma Policy

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**Priscilla Clapp, former U.S. Chargé d'Affaires in Burma, explains that "The question of how U.S. sanctions should eventually be relaxed will be influenced above all by changes occurring inside Burma itself, and nothing suggests the situation will improve dramatically in the near term. The touch-point for U.S. policy will continue to be the Burmese government's attitude toward Daw Aung San Suu Kyi and the more than 2,000 political prisoners who languish in Burmese prisons."**

During her February tour of Asia, Secretary of State Hillary Clinton announced that the new U.S. administration would review its policy toward Burma because neither Western sanctions nor Asian engagement seemed to move the stubborn military regime toward political reform. Quite predictably, her statement ignited a flurry of speculation that it signaled the end of the U.S. sanctions regime against Burma. However, a serious review by Washington of its policy toward Burma is more likely to bring a gradual shift in policy and not a wholesale reversal of sanctions. Furthermore, the question of how U.S. sanctions should eventually be relaxed will be influenced above all by changes occurring inside Burma itself, and nothing suggests the situation will improve dramatically in the near term. The touch-point for U.S. policy will continue to be the Burmese government's attitude toward Daw Aung San Suu Kyi and the more than 2,000 political prisoners who languish in Burmese prisons.

Burma's military leaders are on the threshold of transition back to a quasi-elected parliamentary government guided by an authoritarian constitution that preserves a key role for the military in the country's political governance. Many, both inside and outside the country, are dismayed that the new constitution was not developed through an inclusive process, taking account of the concerns of the country's democracy advocates and its minority national races. In fact, the military's bull-headed approach to this transition is likely to bring a protracted period of instability, which will elicit further harsh police-state responses. Thus the problems that U.S. sanctions were meant to resolve, namely, human rights and democratization, will remain essentially unresolved, with or without U.S. sanctions.

One of the greatest insults to Burma's long-suffering population is the terrible poverty that decades of military rule have caused. The generals pretend that U.S. economic sanctions are the root of the country's hardship and have even used them as an excuse to lock up democracy icon Aung San Suu Kyi. In reality, the woeful state of the Burmese economy has nothing to do with U.S. sanctions and everything to do with the leadership's inept economic management and corruption. For more than four decades, the Burmese military regime has refused to undertake the reforms that would allow foreign direct investment to contribute to the country's economic development. The reason that economic engagement and investment by Asian countries has had little positive impact in Burma is that the Burmese economy today remains largely under state control and subject to the needs of the military.

Nonetheless, anticipating the changes that will occur with the re-establishment of civilian government in Burma, there are three areas in which some easing of sanctions on Burma would serve U.S. interests. These involve measures to improve U.S.



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cooperation with Burma’s Asian neighbors, to expand humanitarian assistance and promote community development in Burma, and, eventually, to build the foundation for economic development.

With regard to the first point, the United States should ease restrictions on its participation in the Association of Southeast Asian Nations (ASEAN). In other words, it should stop punishing ASEAN for Burma’s membership and look instead at how it might encourage and strengthen ASEAN’s ability to promote better governance in Burma. So long as Burma’s deeply isolationist traditions compel its authoritarian regime to shun interaction with the outside world, it is simply illogical for the United States to cling to policies designed to reinforce Burma’s isolation. This applies equally to U.S. dialogue with Burma’s other Asian neighbors, Japan, China, and India.

Second, because Burma’s military government has woefully neglected health, education, and social welfare, the burden has fallen on local community organizations to provide a social safety net. Years of patient effort by United Nations agencies, donor governments, and international NGOs have boosted community development and helped build the rudimentary grassroots structures essential to democratic governance. It will be important to reinforce this trend during the coming political transition, because even limited constitutional government is bound to expand the space for grassroots activity. The United States should modify its restrictions on assistance to Burma to enable a larger direct contribution to these community development efforts.

Finally, while the current military regime has adamantly resisted recommendations from the World Bank and International Monetary Fund for economic reform, current military structures of the State Peace and Development Council (SPDC) government will disappear gradually with the formation of the new parliament after the elections of 2010. Recognizing that it must stem the country’s accelerating economic decline, the new civilian government, despite its authoritarian nature, is likely to be more open to serious economic reform. The United States should therefore consult with its Asian and European partners on the prospect of easing restrictions on international financial institutions to enable them to work on a staged reform of the Burmese economy and lay the foundations for genuine economic development. The United States should only consider lifting its own trade and investment sanctions when economic reform has created the conditions to allow this to benefit the general population, and not just military leaders and their cronies.

Unfortunately, sanctions are a blunt instrument and present the United States with a policy conundrum once they are in place. A unilateral sanctions regime as comprehensive as U.S. policy toward Burma has the perverse effect of limiting U.S. ability to work effectively with the international community to encourage and support the political and economic reform that will be the essential prerequisite for stable democracy in Burma. Yet it is difficult to justify anything more than incremental adjustments in U.S. policy in the absence of serious political change in Burma, such as the release of Aung San Suu Kyi and other political prisoners. The change of administration in Washington presents an opportune moment to begin the knotty task of fashioning an exit strategy from this conundrum, because it is time for the United States to be better positioned to promote democracy in Burma from the bottom up.