

# **Chapter - 4**

**Role and Influence of U.S.A. and Others**

**Powers on Myanmar**

## **MYANMAR-U.S. RELATIONS:**

Beginning in late 1949, U.S. policy towards Southeast Asia was in the process of being overhauled and strengthened, the stimulus to this reappraisal came from many directions. Among them was the complete Communist victory in China in 1949, domestic attacks on the administration's policies towards China, the inability of Britain and France to defend non-Communist Asia and as a consequent to this, the resulting pressures on the United States to take over more and more responsibilities in the area. The Korean War gave additional urgency to policy formulation and helped to clarify U.S. objectives. Signs of the changed policy were not slow in coming.<sup>1</sup> On December 15, 1949, Philip C. Jessup was designated Ambassador-at-large to review the situation in Asia and make recommendations. This new effort was later carried forward by committee consisting of Jessup, Raymond B. Fosdick, Everett Case and John Leighton Stuart. In February 1950, Ambassador Jessup presided over a regional conference of U.S. envoys at Bangkok, which considered "the affirmative steps which could be taken by the United States to carry out its announced policies of extending friendly support to the United States in Asia which may desire such assistance." The conference recommended that the United States provide military and economic support to States resisting Communist aggression.

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<sup>1</sup> Trager, Frank N., *Burma from Kingdom to Republic*, Pall Mall Press, London, 1966, p. 305.

It was also announced in February the next year that a mission headed by R. Allen Griffin would visit Rangoon, Bangkok, Saigon, Singapore and Djakarta with the objective - “to prepare the way for the most expeditious and efficient use of whatever technical assistance and funds may become available for that area.” In his inaugural address in January 1949, President Truman had proposed as a supplement to the Economic Cooperation Act (the Marshall Plan), the point IV programme of technical assistance and as a result of the new direction of policy, this programme played an important role in Asia beginning in 1952 and 1953.<sup>2</sup>

Around the same period the Colombo Plan for Cooperative Economic Development in South and Southeast Asia began operations on 1 July, 1951. The Plan, as designed by the Commonwealth, sought to resolve the correlation between poverty and communism. It was based on the logic that poverty and underdevelopment and a huge population, made the non - communist states in the Asia - Pacific region vulnerable to communist subversion and that economic development was the most effective weapon against this menace and that a significant improvement in living standards in the region would render communism less attractive to the people.<sup>3</sup>

The new policy towards Asia had immediate results for Burma. Both the Jessup and Griffin missions included visits to Burma. The Griffin mission arrived in Rangoon, one day after Prime Minister Nu had issued a

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<sup>2</sup> Ibid., pp. 305-306.

<sup>3</sup> Adeleke, Ademola., Pacific Affairs, University of Columbia Press, Canada, Volume 76, No.4, Winter 2003-2004.

new invitation to foreign capital to invest in Burma as an “instrument for upholding democracy.” One result of the mission was the signing of an agreement on economic cooperation on September 13, 1950. On the occasion of the signing, Ambassador David Mck. Key, explained its purpose : "the purpose of agreement ..... is to assist Burma to achieve those sound economic conditions and stable international economic relationships, so necessary for the maintenance of individual liberty, free institutions and independence." Under the agreement, the United States was prepared to furnish economic and technical assistance towards these ends.<sup>4</sup>

The detailed working of the economic cooperation program was to be decided later by mutual agreement between the Governments of Burma and the United States. The nature of the projects to be carried out would be determined on the basis of the proposals put forth by the Government of Burma. In playing her part, the United States would provide physical equipment and technical experience in the areas of recovery, rehabilitation and economic development in a wide variety of fields, including agriculture, mining, transportation, communications, medical and general health projects. The program also included the provision of consumer goods of importance to general welfare. The United States government would look forward to receive from the Government of Burma the detailed

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<sup>4</sup> Trager, Frank N., Burma from Kingdom to Republic, Pall Mall Press, London, 1966, pp. 309-10.

proposals and was fully confident that, aided by our joint efforts, Burma would move steadily along the road to recovery and economic strength.<sup>5</sup>

Two months later, the United States made available to Burma, ten river patrol craft. However, the Burmese Home Minister insisted that only eight arrived under the U.S. Mutual Defence Assistance Program adopted in October, 1949. Patrol craft were of special value because of “the unique importance of the navigable river system of Burma to commerce and the over all well being of that country.” Training for Burmese naval personnel and spare parts for the completely rehabilitated vessels would also be provided.

The new U.S. policy was off to a good start in Burma. Useful economic and minor military programs were slowly added to modestly expanded cultural and educational exchange programs. In the immediate turmoil of the Communist takeover in China and especially in the stress of war in Korea, Congress was willing to provide substantial funds for the these similar purpose.

For the government of Burma, the Colombo Plan offered both economic possibilities and political pitfalls. How much aid was the country likely to receive through the programme? Would participation in the programme not impinge on its policy of neutralism and nonalignment. The task of the promoters of the Colombo Plan, the United Kingdom in particular, was to convince the Burmese that the programme was not

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<sup>5</sup> Ibid., p. 310.

'political' in orientation or purpose and was designed primarily to promote regional stability and economic development.<sup>6</sup>

The major focus of U.S. policy towards Burma during 1950's and the next several years was on economic and technical assistance. The aid programme was designed to build strength, through technical and material aid to essential services and through economic rehabilitation and development, as was in other countries of Southeast Asia that were "not secure against internal subversion, political infiltration or military aggression." It was based on the expectation that the national government would gain political strength and stability through the aid programme, which would also demonstrate "the genuine interest of the United States in the welfare of the people of Southeast Asia." Productivity, political stability and a concrete demonstration of U.S. friendship were the prime goals, as a contribution to thwarting any further expansion by international communism in general and by communist China towards Burma in particular. U Nu's return to power in 1960's did not signal any change in U.S.-Burma economic aid policy. Nor did the U.S. exert any effective influence on the declining powers of leadership exercised by the Prime Minister. The Burmese spent some fifteen months working out their disagreements in the formulation of the Second Four-Year Plan from 1961-65. This was a somewhat more ambitious plan than the First-four Year Plan of 1956. It contained greater emphasis on the private sector and allocated a larger share of government investment to agriculture (including

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<sup>6</sup> Adeleke, Ademola., Pacific Affairs, University of Columbia Press, Canada, Volume 76, No.4, Winter 2003-2004.

irrigation and forestry), mining, transport and communications, industry and the social services. It expected that law and order would require a lower investment.<sup>7</sup>

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 and 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. At an emotional or ideological level, President Franklin Roosevelt was interested in freeing the colonies from their colonial masters throughout Asia, but little or hardly any action took place in this regard. U.S. interests in Burma were essentially a product of the Cold War.<sup>8</sup>

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 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

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<sup>7</sup> Ibid, pp. 329.

<sup>8</sup> Steinberg, David I., Burma-Myanmar : The U.S. - Burmese Relationship and Its Vicissitudes', Chapter 07, Website-cgdev. org, pp. 223

communist advance (communist-inspired uprisings in Burma, the Philippines, Malaya and Vietnam).<sup>9</sup>

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 had felt it had to be neutral in the Cold War and as well as in the Sino-Soviet dispute in 1969. Given the long, indefensible border with China and having a massive population, Burma had always been vulnerable. 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 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 programme.<sup>10</sup>

In 1956, the programme 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. With a change in foreign assistance policy at the first BSPP Congress in June-July 1971, when the decision to seek foreign aid was

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<sup>9</sup> Ibid, p. 223.

<sup>10</sup> Ibid, pp 224.

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.<sup>11</sup> That programme, focused on basic human needs, lasted until the coup of 1988, when it was once again ended by the United States.<sup>12</sup>

The Cold War and the perceived threat of Chinese expansion were not the only reason the United States sought to continue good relations with Burma. In Rangoon, with both Chinese and Soviet embassies active there and having useful listening post for observing the Sino - Soviet split and both countries had foreign assistance programmes. Besides, 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.<sup>13</sup>

Since the failed people's revolution against the BSPP military regime, the coup of 1988 designed to share up military control over society, at the end of the Cold War, U.S. interests had been refocused. U.S. concerns from 1988 to the end of the Clinton administration concentrated on political rights in Myanmar which were absent. Essentially, U.S. policy from 1988 through 2001 was on a single track - human rights. Economic, strategic, narcotics, even humanitarian issue were not pursued. The human

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<sup>11</sup> Steinberg, David I., *Burma's Road toward Development Growth and Ideology under military Rule*, West View Press, Colombia, 1981.

<sup>12</sup> Steinberg, David, I., *Burma : The State of Myanmar*, George Town University Press, Washington. DC., 2001.

<sup>13</sup> Steinberg, David, I., *Burma-Myanmar : The U.S. Burmese Relationship and Its Vicissitudes*, Chapter 07, website-wwwcgdev.org,p.224.

rights policy was in part dictated and supported by an effective human rights lobby in the United States and the industrialized world.<sup>14</sup>

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.<sup>15</sup> Of less concern, but of great potential importance to the United States, was the strategic place of Myanmar. Myanmar was 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 might not had felt a threat from India, the reverse was not true. Indian defence Minister Fernandes announced in the late 1990's that China was India's potential enemy. Chinese penetration of Myanmar had been extensive, in the supply of military material (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 were denied to provinces in southwest China, such as Yunnan. Of concern to India and to Japan (which viewed China's preeminent role in Myanmar as strengthening of the PRC), as well had been the apparent effort by China to gain access to the Bay of Bengal and

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<sup>14</sup> Ibid, p. 225.

<sup>15</sup> Ibid, pp. 225-227.

the Malacca Straits.<sup>16</sup> 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.<sup>17</sup>

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, I was still palpable in high-level Burmese military circles. The fear of U.S. military action, however unrealistic to foreign observers, was palpable to the Burmese leadership. U.S.-Thai military exercise (Cobra Gold) also excited and affected Burmese.<sup>18</sup>

The United States had 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*). The U.S. Department of State had complained about human rights issues and the illegitimacy of the military, since it had refused to recognize the result

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<sup>16</sup> Garnet, John Lal., *Protracted Contest : Sino-Indian Rivalry in the Twentieth Century*, Washington University Press, Washington, 2001.

<sup>17</sup> Steinberg, David I., *Burma-Myanmar : The US-Burmese Relationship and Its Vicissitudes*, Chapter 07, website-www.cgdev.org,p.227-228.

<sup>18</sup> *Ibid*, p. 229.

of the 1990 elections and essentially vetoed any potential multilateral assistance on political grounds.<sup>19</sup>

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 measures went 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.<sup>20</sup>

“Terrorism” had become a popular designation in Myanmar, with meanings varying, according to the political position of each party. So the Burmese government called all dissidents, terrorists and the opposition in the country as government terrorists. 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 anti-terrorism. The government was said to have supplied the United States with intelligence information that the Burmese might had, allowed military over flights to the Middle East and took steps to protect physically from terrorist attack, the very vulnerable U.S. embassy building in down town Yangon by sealing off that portion of the street on

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<sup>19</sup> Ibid., p.229.

<sup>20</sup> Steinberg, David I., Myanmar : Reconciliation in the Process, Southeast Asian Affairs, Singapore, 2003, p. 54.

which the embassy was situated. While the government of Myanmar and the United States had differences in the past years, they were pragmatically in full agreement that terrorists must be given no sanctuary.<sup>21</sup>

Burmese motivations for cooperation were probably fourfold : the generalised suspicions of the Burmese military authorities towards the Muslim's 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.<sup>22</sup>

Another factor which played an important role was the Chinese relations with Myanmar which came in for more scrutiny. The Burmese might be fearful of China's potential role, but they played 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 might find that Chinese penetration was already too extensive to be pushed back.<sup>23</sup> Change was inevitable in Myanmar. It would be slow and tortuous, but it would come. But to delay considering the future of that society, while awaiting reform would be unquestionable. There was also a need to begin with capacity building. The country had lost one percent of its educated population (not counting refugees and

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<sup>21</sup> Bostan Herald, Bostan, December 26, 2001.

<sup>22</sup> Steinberg, David I., Burma-Myanmar : The US-Burmese Relationship and Its Vicissitudes, Chapter 07, website-www.cgdev.org,p.232

<sup>23</sup> Ibid, pp 236.

migrant workers) through legal and illegal emigration to escape political repression, through ethnic discrimination and through economic status. It was in training that the United States had comparative advantages and it was here that some form of U.S. developmental assistance would be appropriate and useful. Whatever the solution to the problems of Myanmar, optimistically there was 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 would easily resolve the issues.<sup>24</sup>

Myanmar foreign policy towards the United States had been largely reactive. This reflected the regime's understanding that while it wishes to resist U.S. pressure, it had very little leverage to alter the dynamics and tone of the bilateral relationship, short of relinquishing power. Yet giving into Washington's central demand for regime transition was unacceptable to the military-led government. The SPDC saw itself as the only institution able to guarantee national unity and stability in the longer term, given the difficult relations between the Burman majority and the ethnic minority groups, as well as the perceived disastrous historical experience of Burmese democratic politics which, in view of the military, saw politicians indulge in personally motivated struggle and internecine squabbling at the expense national interests. In any case, Washington's demands were considered as utterly unwarranted interference. As the former regime spokesman Hla Min had put it, 'as a sovereign independent country we do

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<sup>24</sup> Ibid, p. 239.

not like to be pushed around.’ The SPDC effectively saw US sanctions and its support for the NLD and ASSK and other pro-democracy activists as a form of low - intensity warfare.

Accordingly, Myanmar’s foreign policy towards Washington had combined elements of defiance over the SPDC’s priorities for regime survival, national unity and stability with cooperative behaviour in multilateral and bilateral settings. The SPDC had, for instance, taken action in response to US concerns over political reconciliation when dealing with the United Nations, as illustrated by its early record of cooperation with the UN Special Envoy Ambassador Razali Ismail. The same point can be made about human rights and the record of cooperation initially established with UN Special Rapporteur for Human Rights, Sergio Pinheiro.<sup>25</sup>

In June 2005, Washington tried but failed to place Myanmar on the agenda of the UNSC. At the subsequent ASEAN, PMC and ARF meetings, US Deputy Secretary of State Robert Zoellick referred to Myanmar as a ‘Cancer’ that could spread to the wider region. In October 2005, the US administration claimed the publication of the Havel-Tutu report and continued denial of access for Razali and the UN Special Rapporteur for Human rights Paulo Sergio Pinheiro warranted the UNSC discussing the situation in Myanmar. President Bush received at the Oval office activist Charm Tong, who was associated with the Shan Women’s Action Network - which claimed in 2002 that the Tatmadaw was systematically using sexual violence against ethnic - minority women along the border. Besides

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<sup>25</sup> Haccke, Jurgen., Myanmar’s Foreign Policy, Domestic influence and international implications, Routledge Publication, New York 2006, pp. 64-65.

markedly impressing the President, she had also met the National Security Adviser Stephen Hadley.<sup>26</sup>

Myanmar's diplomatic counter-offensive had so far had two main elements. First, the foreign ministry had rejected in its entirety the Havel-Tutu report, arguing that had the situation in Myanmar posed a threat to regional security, its neighbours and ASEAN would have surely noticed it and called for action. Second, having been encouraged by both China and Russia blocking initial moves by the US to place Myanmar on the UNSC agenda in June 2005, the military government had sought a commitment from Beijing and Moscow for extended diplomatic protection. Through its mass media, the SPDC had suggested that the US was anxious and in a rush to install a puppet government in Myanmar with the apparent intention of checking China's growing regional influence. The government held out the possibility of a major long - term gas deal with China, just days before the UNSC briefing in December, 2005. By also strengthening economic cooperation and leveraging its energy resources in its relations with Russia, the SPDC had sought to secure the favour of a second veto at the UNSC. Yangon had hoped that China and Russia would block a UNSC vote on any substantive matter relating to Myanmar.<sup>27</sup>

The new US Secretary of State Condoleezza Rice, in turn identified Myanmar as one of several "out-posts of tyranny" at the beginning of George W. Bush's second term. Such language, which reflected but also amplified the sentiments by many a U S senator and congressperson, made

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<sup>26</sup> Ibid., pp. 70.

<sup>27</sup> Ibid., pp. 72-73.

very clear that Washington sympathized with the suffering and democratic aspirations of the Myanmar people and was strongly opposed to the military regime in power.<sup>28</sup>

Former President George W. Bush was himself strongly antagonistic towards Myanmar's military junta and the then first Lady Laura Bush also publicly advocated herself as a keen supporter of human rights and democracy in the country. Both personally met with anti - regime activists and these meetings seemed to have strengthened their moral resolve to stand up against the perceived tyrannical rule of Myanmar's military junta. One might thus hold that time wise the origins of US - Myanmar rapprochement lay squarely in the period following the announcement of the Obama administration's Burma Policy review until September, 2009.<sup>29</sup>

Secretary of State Hillary Clinton in February 2009, announced a Burma Policy review during her inaugural visit to Japan and Indonesia. Though the announcement of the review was accompanied by acknowledgement that Washington's previous sanctions - heavy approach had failed to bring about a political change in Myanmar, she also suggested that ASEAN's "constructive engagement" approach towards Myanmar was equally a failure in this regard. The key idea that emerged from the policy review, which involved interagency exchanges and discussion with different stakeholders on Capitol Hill and civil society, was that the administration should introduce a second key pillar to influence

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<sup>28</sup> Setien berg, David I., Myanmar the Dymanics of an Evolving Policy, Lyme Rienner Publishers, UK, 2015, p. 290.

<sup>29</sup> Ibid, p. 291.

developments in Myanmar, in addition to the continued reliance on sanction, namely the pursuit of a political dialogue at a senior level.<sup>30</sup>

As such, the decision to embark on direct dialogue did not imply an amendment of the main goals underlying US - Myanmar policy to foster real political change (“credible democratic reforms”) to improve human rights (“immediate unconditional release of political prisoners”) and to promote national reconciliation (“serious dialogue with the opposition and minority ethnic groups”). That said the administration was also very keen on moving beyond the instrument of sanctions.<sup>31</sup>

Since then, progress in US - Myanmar relations had by some yardsticks been quite spectacular. Normal diplomatic relations had been reestablished, economic sanctions imposed against the SPDC had been eased significantly, military - to - military ties were being cautiously revived and a reciprocal state visits had already taken place. To what may this positive trend in bilateral relations be attributed? Arguably, four main factors have underpinned the level of progress achieved so far.

The first prerequisites of improved bilateral ties was when under SPDC rule, a debate raged about whether engagement or combined international pressure, moral castigation and isolation would bring about political reforms and improvements to the human rights situation in Myanmar. One astute long - term observer of the country predicted, however, that it would be political reforms undertaken by the Myanmar

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<sup>30</sup> Ibid, p. 291.

<sup>31</sup> Ibid, p. 291-292.

leadership that would lead to improved relations between Washington and Myanmar. Apart from the above, President Sein took several bold decisions without which the U.S. government would not have normalized diplomatic relations or eased sanctions, relating to the release of political prisoners, the passing of new legislation more broadly compatible with Western understandings of political freedoms and moves enabling Aung San Suu Kyi and the NLD to participate as a constitutionally legitimate opposition in Parliament.

Irrespective of what particular goals had been pursued by Myanmar in the context of its reforms, what matters here was that the reforms largely met the initial expectations for change articulated by US diploma and decision makers and the political process and compromise that subsequently allowed Aung San Suu Kyi to participate in the 2012 by elections, answered Washington's long-lasting call for a genuine political dialogue.<sup>32</sup>

Secondly, progress in bilateral relations had occurred because US decision makers had appreciated the importance of properly acknowledging the reforms. Indeed, the reforms enacted by the Thin Sein government were perceived by the Obama administration as the first and possibly the only opportunity for years to come, to bring about the kind of political changes that Washington had long advocated.<sup>33</sup>

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<sup>32</sup> Ibid, p. 293.

<sup>33</sup> Ibid, p. 294.

The third, was the improved bilateral ties which moreover depended on the evolving attitudes and positions of those members of Congress who for year, had been influential critics of Myanmar's government and shapers of US - Burma Policy. Very early on, the Obama administration sought to win and then maintain support from these key Congressional stakeholders for a new direction in Burma's policy, by establishing a close consultation process.<sup>34</sup>

Fourth progress had also depended on support for bilateral re-engagement from Aung San Suu Kyi. After all, as David Steinberg argued, "Her role, both explicitly when she has been able publicly to articulate her views and implicitly in the interpretation of her attitudes and positions by her towards Myanmar."

November, 2012 marked another milestone in Myanmar – US relations as President Obama visited Yangon, while enroute to the ASEAN leaders meeting in Phnom Penh. The visit had the aim of looking in the governments various reform measures, but was also designed to boost the legitimacy of Myanmar's reformers, given the perceived possibility of political backsliding. President Obama suggested that if the Myanmar leadership followed the United States in promoting core freedoms judged fundamental to democracy, Naypyitaw would have "in the United States of America, a partner on that long journey."

While the United States announced US \$ 171 million in development assistance during the Obama visit, the Thein Sein

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<sup>34</sup> Ibid, p. 294.

government had made several further commitments. For instance, it reaffirmed Naypyitaw's commitment to UN Security Council Resolution 1874, signed the International Atomic Energy Agency (IAEA) additional protocol, started a process on so – called “prisoners of concern,” signed a joint anti-trafficking plan, embraced an International Labour Organisation (ILO) action plan on forced labour and vowed to pursue a durable cease - fire in Kachin State, as well as, prevent communal violence in Rakhine (Arakan) State.<sup>35</sup>

In June 2012, the defence Secretary Leon Panetta suggested that Washington would strengthen military ties, if political and human rights reforms continued. Following this US Pacific Command Commander Lieutenant General Francis Wiercinski and Deputy Assistant Secretary of Defence for South and Southeast Asia Vikram Singh travelled to Myanmar in November, 2012, as part of a larger delegation to discuss Myanmar's human right situation. During the event, the two sides agreed on dialogue and some training, particularly in the areas of humanitarian issues, human rights and greater professionalization provided by Defence Institute for International Legal Studies (DIILS)<sup>36</sup>

In May 2013, President Thein Sein travelled to the United States. He committed himself to continue to build a new democratic State, while seeking the improvement of bilateral economic ties. The governments signed a trade and investment Framework Agreement during the visit, reflecting Naypyitaw's interest in exporting more products to the United

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<sup>35</sup> Ibid, p. 297.

<sup>36</sup> Ibid, p. 299.

States. Important from Myanmar's perspective was also the recognition which it gained with Thein Sein's visit.

### **RUSSIA AND MYANMAR RELATIONS:**

Since the decline of the Soviet Union, Soviet Russia's foreign policy had evolved from a western - oriented one to a multi - dimensional one, with stronger focus on Southeast Asia. With the aim of establishing new contacts or to strengthen existing collaborations, the Russian policy - makers initially concentrated all their efforts on one goal - China. But soon the game took a different course from the one desired, when the over dependence on China started to threaten Russia's independent policy in the region and encouraged Russia to rethink its strategy.

One of these states was the Republic of the Union of Myanmar, which returned to the international political stage in 2011, following decades of isolation caused by military rule. Myanmar became the centre of global interest not only because of its domestic reforms, but also because of its natural resources, the potential of its emerging markets and its geographic location. Simultaneously, these circumstances stimulated keener geopolitical competition among the world's major powers like- China, the United States, India, Japan, the European Union and Russia. These powers competed for sufficient influence in Myanmar, which occupied a strategic location facing the Indian Ocean and was the only land transportation hub linking East Asia, Southeast Asia and South Asia.<sup>37</sup>

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<sup>37</sup> Ludmila, Luty- Auras., Russia ad Hymmer - Friends in Need? in Journal of Current Southeast Asian Affairs, Singapore, No. 34, 2, p. 166., 2015.

Soviet Russia, generally accepted as a great power after World War II, sought out allies with the aim of reducing the influence of the USA and Western European country by using belligerent tactics and sometimes acting in a quite reckless manner. Both Myanmar and Russia were deeply involved in process of enforcement of certain ambitions - the Russians mostly oriented outwardly, the Myanmarese predominantly inward looking. At the same time, both the countries had a strong focus on their status within the international community. Myanmar, which remained one of the poorest countries in the world, had broken free from the bonds imposed by the British Empire, but had'nt been able to avoid a new intensive economic dependency on China. For that reason, Myanmar sought the option of freeing itself from the influence of Beijing and searched for actors, such as Russia, who could offset the influencing factors of Myanmar's biggest neighbour.<sup>38</sup>

In 2000, some members from the military - led government of Myanmar officially had asked their Russian colleagues for help in building a nuclear research centre. In February 2001, the two sides began concrete negotiations regarding the establishment of a 10-15 megawatt (thermal) light water pool - type research reactor and isotope laboratory. The plan failed in 2003 due to Myanmar's inability to find the hard currency needed to pay for construction costs, so in 2007, the Russian State Atomic Energy Agency, Rosatom, came to an agreement with the former Science and Technology Minister, U Thaung that contained the foundation of a nuclear

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<sup>38</sup> Ibid, pp. 166-167.

research centre. It was also proposed that this institute should comprise the following : a 10 megawatt light water reactor working on 20 percent enriched uranium - 235, an activation analysis laboratory, a medical isotope production laboratory and a silicon doping system, besides, nuclear waste treatment and burial facilities.<sup>39</sup> President Vladimir Putin had also increased defence spending since coming to power in 2000, seeing the rebuilding of the armed forces as a central part of his attempt to restore Russia's position as a great power.

Myanmar had not bought any weaponry from the USA, whereas, the commencement of military cooperation between Russia and Myanmar began in the 1990's and gained momentum during the 2000's. In 2001, Russia sold to Myanmar four MiG-29 jet fighters, another ten in 2002 and in 2006, the Russian Aircraft Corporation MiG opened an office in Yangon. In 2009, the state - owned enterprise, Rosobornexport, signed a contract to supply twenty more MiG products to Myanmar, winning the contract in competition with China. Taken as a whole, the official weapons purchases had come almost exclusively from the Russian Federation and China, with sales divided almost evenly between the two.<sup>40</sup>

According to statements by the Russian Defence Ministry, Myanmar's armed forces used the 30 MiG-29 advanced supersonic fighters, the 30 Mi-17 gunship helicopters and the 11 Mi-24 attack helicopters to good effect, presently utilising Russia's Pechora air defence system. The Myanmarese detachments also employed several T-72 battle

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<sup>39</sup> Ibid, pp. 174-180.

<sup>40</sup> Ibid, pp. 182-183.

tanks and short range air-to-air missiles, but the exact number was not known.

Apart from any profitable commercial transactions, Russia regarded this positive development as a prelude to a very prosperous cooperation in that region. Because it had lost its standing in many traditional markets, including Libya, Syria and Iraq, the world's second largest weaponry exporter had also begun to increase the arms trade with Myanmar.<sup>41</sup>

Although Myanmar's defence relations with Russia had grown steadily over the past decade, they were not as robust as those with China, which recorded its neighbour as one of its main customers for weapons. However, if ties with its Russian partners continued to grow, Myanmar eventually represented a key strategic site in Southeast Asia. As long as their respective national interests coincided, both Russia and China could take cordial or even collaborative foreign policy actions to counter American pursuits in this region.<sup>42</sup>

One of the reasons for such actions was the fact that a large number of military personnel's from Myanmar were studying at Russian military schools. As recorded by the Russian Ministry of Education, 4,705 Myanmarese people attended University lectures between 1993 and 2013, more than from any other Southeast Asian country, except Vietnam. Sometimes the proportion were rather larger. In 2006, a third of all the foreigners enrolled at the Moscow Aviation Technology Institute were

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<sup>41</sup> Ibid, pp. 184.

<sup>42</sup> Ibid, pp. 185

from Myanmar. In the 2010-2011 academic year, Myanmar represented the biggest group of foreign students at the Moscow Institute of Steel and Alloys (Ministry of Education and Science of the Russian Federation 1997-2014).<sup>43</sup>

During the period of Cold War, Russia's interest in Myanmar, was among other things, driven by an ideological struggle against Western and especially American capitalism. The main objective of it was to provide economic cooperation, to improve its position in the region and to reassure the Southeast Asian country of its silent, but nevertheless persistent, presence on the map of the world. Finally, it was important to emphasise that the future success of Russia - Myanmar relations relied on a continuation of arms trade, cooperation with ancillary energy security and opportunities to intensify the support of the education and training sector. As a whole, little by little, the Russia - Myanmar dialogue had acquired new depth and had become more versatile and multidimensional. But there were still considerable difficulties. On the one hand, Myanmar could not always fulfill the expectations of Moscow, especially in terms of the implementation of large economic projects and the reliability of payments. On the other hand, Russia did not have financial resources for necessary investments and its representatives often had little knowledge of the exotic Myanmar.

Certainly, the bilateral relations started in the middle of 1950's, had the potential for achieving sustainability. But drawing on statistical

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<sup>43</sup> Ibid, p. 186.

evidence and the analysis described above, it could be safely stated that Russia did not act as a leading or a particularly influential 'great power' that constituted a counter - weight to China in Myanmar, though its presence there had stabilised and gained reputation in contrast to the 1990's. In near future, it could be expected that Moscow and Naypyidaw would extend their partnership, but Russia would also extend the scope of cooperation with other countries, in order to raise its influence in Southeast Asia.

Myanmar could not rely on Russia as a 'counterbalance' to China and would be compelled to find other alternatives in this respect, perhaps, more in the form of partnering with an association of State, rather than with a single country. To conclude, Russia and Myanmar could be observed more as friends in need, than as close allies that had similar strategic considerations with regard to the international community.<sup>44</sup>

### **RELATIONS BETWEEN MYANMAR - SOUTH EAST ASIAN NATIONS :**

In the past, Japan's trade and investment with Myanmar was constrained by economic sanctions and the autarkic economic policies of the Myanmar regime. During the period 1988-2010, Japan accounted for less than one percent of international investment in Myanmar. Since early 2010, Japan had been making sustained efforts to scale up its engagement. Japan's trade with Myanmar had registered a significant increase, with exports doubling to US \$ 492 million in 2010. There was anticipation that

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<sup>44</sup> Ibid, pp. 191-192.

Japanese investment would also witness significant increase, as infrastructure deficiencies were resolved. Japan had also waived US \$ 3.7 billion of US \$ 6 billion in debt owed to it, by Myanmar. Further, the Japan Bank for International Cooperation had provided Myanmar with a bridging loan of US \$ 900 million to pay off some of its debt to the World Bank and the Asian Development Bank.<sup>45</sup> Japanese financial institution such as the Mitsubishi Financial Group Inc. would also be playing an important role in disbursing Japan's financial assistance and would be seeking to collaborate with local entities such as Myanmar's Co-operative Bank Limited. Japan was also actively involved in developing urban infrastructure facilities, such as water supply and sewage systems in Yangon, under Japan's International Cooperation Agency (JICA) financing.<sup>46</sup>

Japan's Deputy Prime Minister and Finance Minister, Taro Aso, visited Myanmar in January 2013, which was the first overseas visit by a senior cabinet minister after Shinzo Abe's Liberal Democratic Party (LDP) government took office. The visit signalled the importance of Myanmar in Japan, southeast Asian policy. Also, the Finance Minister also visited the site of the Thilawa Special Economic Zone, reiterating Japan's commitment to large scale industrial infrastructure projects in Myanmar. The Thilawa project had been termed as the "centre - piece of Japan's investment in Myanmar" and it comprised a 2400 hectare Special

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<sup>45</sup> Bhatia, Rajiv K., Sakhuja, Vijay., and Ranjan., Vikas., Change in Myanmar, Shipra Publication, New Delhi, 2014, pp. 127-128.

<sup>46</sup> Thomas, Fuller., Long Reliant on China, Myanmar Now Turn to Japan, The New York Times, 10 October, 2012. Available : [http://www.nytimes.com/2012/10/11/world/asia/long-reliant-on-China-Myanmar-now-turn-to-japan-for-help.html?\\_r=1&page=1](http://www.nytimes.com/2012/10/11/world/asia/long-reliant-on-China-Myanmar-now-turn-to-japan-for-help.html?_r=1&page=1)

Economic Zone and an industrial park with an estimated cost of US \$ 12.6 billion, which would include a 500 megawatt power plant at a cost of US \$ 900 million.<sup>47</sup>

Reportedly, Japan had already extended support for the project by advancing soft loans, which would be used for the construction of port and road infrastructure. This indicated that the countries in the region were comfortable with Japan's growing economic engagement in Myanmar, which was aimed at integrating Myanmar with production networks of Southeast Asia.<sup>48</sup>

The "outposts of tyranny" remark by Secretary of State Condoleezza Rice in her confirmation testimony in the previous U.S. administration was one that had a certain resonance in US political circles. The inclusion of both North Korea and Myanmar within that select, but infamous group may have exacerbated the concerns, first based on widespread rumors within Myanmar, that North Korea was engaged in some sort of nuclear assistance to the military junta and that Myanmar was mining uranium, which does exist in that State. The problem was made more acute by a variety of factors. North Korean involvement in a Syrian facility bombed by the Israelis was one element, but the secret, later leaked, trip by General Thuru Shwe Mann (regarded as the third-most powerful military officer) to North Korea added to the concerns, as did the direct evidence of North

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<sup>47</sup> Slodkowski, Antoni., Japan Inc Steals a March in Myanmar, Reuters, 03 October 2012. Website- [http://graphics.thomasonrntera.com/12/09/Japan Myanmar.pdf](http://graphics.thomasonrntera.com/12/09/Japan%20Myanmar.pdf).

<sup>48</sup> Nongnapas, Maipanit., Chances High of Japanese Investment in Dawei, Minister, Eleven , 19 January 2013. Website - [http://elevenmyanmar.com/asean/2169-Chance high-of-japanese-investment-in-dawei-minister](http://elevenmyanmar.com/asean/2169-Chance-high-of-japanese-investment-in-dawei-minister).

Korean assistance in extensive tunnelling efforts in Naypyidaw and perhaps, elsewhere as well.

Although, the South Korean Government had formally notified the Myanmar authorities in the last throes of the "Sunshine Policy" of President Roh Moo Hyun that his government would not object to Myanmar re-recognizing North Korea (it had been "de-recognised") in 1983 because North Korea attempted to assassinate South Korean President Chun Doo Hwan in Rangoon, relations had already proceeded with North Korea supplying some conventional military equipment to Naypyidaw.<sup>49</sup>

Similarly, Thailand had been keen to develop the Dawei Special Economic Zone (SEZ) in the Tanintharyi Region of Myanmar. When the Dawei project ran into financial trouble, Thailand invited Japan to become a partner in the development of Dawei SEZ.<sup>50</sup>

Along with Laos and Thailand, Myanmar was a part of the hub of the drug trade, a region in - famously called the "Golden Triangle". The production of opium continued to be high. According to UN reports, Myanmar was the second largest producer of opium in the world. The spread of drug use had also increased HIV rates along the border regions of the neighbouring countries. India, Thailand and China share a common

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<sup>49</sup> Singh, Daljit., Southeast Asian Affairs 2011, Institute of Southeast Asian Studies, Singapore, 2011, pp. 183-184.

<sup>50</sup> "Thailand Urges Japan to Join in Myanmar's Dawei Project," Xinhua, 18 January 2013, website: -[http://news.xinhuanet.com/english/world/2013-1/18/C\\_124246395.htm](http://news.xinhuanet.com/english/world/2013-1/18/C_124246395.htm).

concern over this plague and agreements with Myanmar had been signed to deal with it, but so far, there had been little sign of success.<sup>51</sup>

ASEAN members had both strategic and economic interests in Myanmar, particularly Thailand and Singapore. Thailand was Myanmar's biggest trade partner and natural gas from Myanmar generated 20 percent of the country's electricity. And with increasing Thai involvement, in Myanmar's oil and gas sector, its dependence on its eastern neighbour was likely to increase. It was also the largest single export destination (\$ 2.8 billion) for Myanmar and the third major importer of timber from Myanmar. The Myanmar generals and their family members had Singaporean bank accounts<sup>52</sup>. Also, Myanmar's regime - linked businesses reportedly had corporate connections in Singapore. One such commercial front was Silvers Wave Energy, a Singaporean company that brokered oil and gas deals between the military regime and Indian and Russian companies. Other ASEAN countries such as Malaysia, Indonesia and Vietnam had also increased their trade relations with Myanmar over the years.<sup>53</sup>

There were also strategic interest of individual ASEAN countries in Myanmar. According to a Chinese scholar, China's new route for oil and gas transport through Myanmar had caused concern in Singapore and

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<sup>51</sup> Smith, Martin., *Burma : Insurgency and the Politics of Ethnicity*, Zed Books, 1991.

<sup>52</sup> Haacke, Jorgen., *ASEAN and the situation in Myanmar/Burma*, in Xigotin Guo, ed., *Myanmar/ Burma : Challenges and perspective*, stockholn - Nocko Institute of Security and Development Policy, 2008, p. 142.

<sup>53</sup> Haacke, Jorgen., *ASEAN and the Situation in Myanmar/Burma*, in Xiaolin Guo, ed., *Myanmar/Burma : Challenges and Perspective*, Stockholm - Nacko : Institute of Security and Development Policy, p. 142.

Thailand, as their importance to China's external trade might be undermined.<sup>54</sup> ASEAN, with its strategic goal of building a single, united region, had consistently rejected the idea of expelling Myanmar from the grouping. Its interests were in Myanmar staying in the grouping and smoothly transiting to democratic governance.

Thailand was the second largest investor in Myanmar with an estimated investment of some US \$ 7.41 billion during 1998-2009. A significant component (approx 80-90%) of Thailand's investment had been in the energy sector. Thailand state owned Energy Company PTT, which had already made significant investments had planned to invest an additional US \$ 3 billion in Myanmar.

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<sup>54</sup> Li, Chenyang., Myanmar/Burmas Political Development and China-Myanmar Relation in the Aftermath of the "Saffron Revolution in xiaolin Guo, ed., Myanmar/Burma : Challenges and Perspectives (Stockholm- Nacka, Institute of Security and Development Policy, 2008, p. 118.