MYANMAR'S LONG ROAD to NATIONAL RECONCILIATION

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edited by
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EDITOR'S NOTE

This book generally follows UN practice in using the name Myanmar when referring to the country. However, it also follows the growing practice of respecting the personal preference of the authors of individual chapters in how they wish to refer to the country. The conference title uses "Myanmar/Burma" to reinforce the continuity with previous ANU Update Conferences, which used the name "Burma" in their title.

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Glossary

ACIAR	Australian Centre for International Agricultural Research
ADB	Asian Development Bank
ADP	Area Development Program
AFPFL	Anti-Fascist People's Freedom League
ASEAN	Association of South East Asian Nations
AusAID	Australian Agency for International Development
BSI	Bureau of Special Investigation
BSPP	Burma Socialist Programme Party
CBO	community-based organization
CEC	Central Executive Committee (of the National League for Democracy)
CFN	Child Focussed Network
CGIAR	Consultative Group for International Agricultural Research
CIAT	Centre for International Tropical Agriculture
CIFOR	Centre for International Forestry Research
CNF	Chin National Front
CPB	Communist Party of Burma
CRPP	Committee Representing the People's Parliament
CSO	Central Statistical Office
CSU	Charles Sturt University (Australia)
DKBA	Democratic Karen Buddhist Army
EIU	Economist Intelligence Unit
FAO	Food and Agriculture Program
FHAM	Fund for HIV/AIDS in Myanmar

HIV/AIDS	Human Immuno-deficiency Virus/Acquired Immuno-deficiency Syndrome
ICRISAT	International Crops Research Institute for Semi-Arid Tropics
IFPRI	International Food and Policy Research Institute
IMF	International Monetary Fund
INGO	International Non-governmental Organization
IRRI	International Rice Research Institute
IWMI	International Water Management Institute
KIO	Kachin Independence Organization
KNU	Karen National Union
LNGO	Local Non-governmental Organization
MAS	Myanmar Agricultural Service
MMA	Myanmar Medical Association
MMCWA	Myanmar Maternal and Child Welfare Association
NDF	National Democratic Front
NGO	Non-governmental Organization
NIB	National Intelligence Bureau
NLD	National League for Democracy
NMSP	New Mon State Party
ODA	official development assistance
OIE	International Office for Epizootics
PDC	Peace and Development Committee
SEAFDEC	South East Asian Fisheries Development Centre
SLORC	State Law and Order Restoration Council
SNLD	Shan Nationalities League for Democracy
SPDC	State Peace and Development Council
SSA	Shan State Army
SSA-N	Shan State Army-North
SSA-S	Shan State Army-South
UN	United Nations
UNA	United Nationalities Alliance
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNLD	United Nationalities League for Democracy
USAID	United States Agency for International Development

UWSP	United Wa State Party
WFC	World Fish Centre
WFP	World Food Programme
YAU	Yezin Agricultural University
YMCA	Young Men's Christian Association
YWCA	Young Women's Christian Association

Overview

Trevor Wilson

The 2004 Myanmar/Burma Update Conference, the sixth in a series, took place in the context of an overall political situation little changed from that of five years ago. The same military regime remains in control of the country, functioning in much the same repressive way as before, and there is still no clear prospect of substantial change or of the genuine political and economic reforms that would allow the people of Myanmar the hope of enjoying the prosperity and freedom being enjoyed by their neighbours in Southeast Asia. Yet the particular dynamics of Myanmar's political, social, and economic circumstances had gone through quite significant changes in the previous eighteen months, leaving the country facing more uncertainty than for many years.

October 2004 witnessed the most dramatic, and probably the most far-reaching, changes in the leadership of the State Peace and Development Council (SPDC)[1] since the forced retirement of General Saw Maung in 1992. All the more surprising because they were almost unforeseen, these changes ended the previous strong sense of collegiality and cohesion amongst the top SPDC leadership. There had long been speculation about differences among the top three leaders — the SPDC Chairman, Senior General Than Shwe; the Vice Chairman, Deputy Senior General Maung Aye; and the Prime Minister, General Khin Nyunt — but hitherto the leadership had clearly attached highest priority to regime stability and cohesion, and had handled occasional internal problems, such as accusations of corruption, with the minimum of outward fuss. In this

instance, however, the top leaders went so far as to abolish one of the military institutions — Military Intelligence — that was critical to the regime's maintenance of tight controls over the country and its people, on the presumption that it was a tool of the fallen Prime Minister. They also instigated a wholesale purge of military intelligence officers and their close associates, on a scale unprecedented under the current government.[2] Parallel with this, they initiated a wide-ranging Cabinet reshuffle in which a number of relatively inexperienced generals with no obvious qualifications for ministerial jobs replaced long-serving, experienced (and, in some cases, relatively capable) Ministers.

Two aspects of the changes had the immediate effect of increasing the constraints on any international organization or foreign individual who needed to work with the government. First, there were various indications that the regime seemed to be turning the clock back on more than a decade of gradual change, and was much less receptive to new ideas and any relaxation of tight state controls. This was shown in harsher official propaganda, in overt knee-jerk negativism towards dealing with foreigners, and in a reversion to earlier inward-looking military-style attitudes. Second, while the international community lacked direct knowledge of the new decision-makers, conversely, the incoming generals who had been appointed to senior SPDC or government positions displayed a striking lack of international exposure or experience. This does not bode well for the immediate future of Myanmar's international relations, nor does it suggest any great sensitivity on the part of the regime to international opinion — at least in the absence of some new, explicit decisions being taken in favour of international cooperation, something that seemed rather unlikely for the moment.

The 2004 Myanmar/Burma Update Conference also took place against the backdrop of the National Convention that the SPDC re-convened in May 2004 after an eight-year hiatus. The National Convention was a key part of the "road map" launched by the SPDC in August 2003 as an obvious (but doomed) attempt to neutralize international opprobrium after being generally held responsible for the attack on Aung San Suu Kyi and her National League for Democracy (NLD) followers at Depayin in May 2003.

The National Convention eventually resumed in February 2005, operating in much the same way as it had functioned the previous year,

but with some personnel changes among the delegates. By re-affirming its intention to re-convene the National Convention, the SPDC acknowledged that political transition has to be accomplished in one way or another. This would in normal circumstances have been taken as a welcome step, seen as indicating that the new SPDC leadership maintained its commitment to a quasi-consultative political process.

However, in terms of both its composition and its operations in 2004, this "home-grown" National Convention would not pass any normal tests of representative-ness, transparency, credibility, and, therefore, legitimacy.[3] Moreover, the SPDC proceeded with the second phase of the current Convention apparently unconcerned about the exclusion of so many of the opposition political parties that had won the majority of the seats in the 1990 elections.

The SPDC leadership made no serious attempt to create the conditions for the NLD to reconsider its decision not to participate, despite some reports of wavering by the NLD leaders who had attended the earlier National Convention up until 1995.[4] To compound matters, the SPDC forced the Shan Nationalities League for Democracy, the party that won the second largest number of seats in the 1990 elections, out of the convention permanently by arresting its leaders on the very eve of the Convention's resumption. It is difficult to draw any conclusion other than that the SPDC's military leadership is even more reluctant than before to allow "normal", uncontrolled, law-abiding activities by political parties. At the very least, this would make highly suspect any form of "multi-party democracy" that might be eventually installed as a product of this process.

The SPDC continued to determine arbitrarily which delegates would participate in the National Convention, but in fact nominated a wide range of representatives. Included among the delegates were some quite prominent figures, many of whom (not surprisingly) had a record of cooperating with the regime, but not all of whom could be termed "supporters" of the regime by any means. One of the unusual features of the Convention was the extraordinary measures the SPDC adopted to maintain the isolation of the delegates from interaction with the community while the sessions were in progress. But although delegates were kept at the venue for lengthy periods in specially-prepared accommodation, they were allowed to return to their families from time to time, and some

inkling of what had gone on behind the scenes leaked out. This was probably encouraged by the authorities to some extent, or at least was not actively discouraged.

Despite its obvious shortcomings, the National Convention process was a very substantial exercise. Built-to-purpose facilities were constructed in a green-fields site, a remarkable logistic and administrative support operation was maintained during sessions, and superficially impressive reporting arrangements were also put in place. Although the sessions took place behind closed doors, the SPDC took the unusual (for the SPDC) step of maintaining a website, as well as a stream of reports in the official media giving selective accounts of the content of speeches and topics considered.

The initial sessions of the resumed National Convention — in May–July 2004 and then from February 2005 — left as many questions unanswered as they answered. For example, the focus of the Convention proceedings was on formulating "principles" for the Constitution; no announcement was made about how, when, and by whom the Constitution would actually be drafted. While this essentially confirmed (as was widely suspected) that the SPDC was determined to move ahead with the draft constitution (that had been produced by the government in the first phase of the National Convention in the early nineties but not been formally accepted), it transpired that a number of groups were able to force the SPDC to allow discussion of highly sensitive, but important, issues such as power-sharing. Some participants report that the Convention sessions seem not to have been entirely the sterile set-piece statements that the Government prefers.

The 2004 sessions of the resumed National Convention dealt with the various constitutional issues selectively, but by no means avoided all sensitive issues. While the Convention considered the all-important matter of power-sharing, how — and indeed whether — larger constitutional goals such as the independence of the judiciary, freedom of the press, and freedom of association and assembly, which have not existed in Myanmar for generations, are likely to be achieved remains doubtful. At the end of the day, it still remains to be seen whether any discussion inside the National Convention that falls outside the SPDC's preferred outcomes will lead either to any substantive changes to the draft Constitution or to any meaningful concessions from the SPDC. But just as importantly, it is still unclear what time-frame is envisaged for elections that would lead to

a transition to an elected government. This contrasts with the recent example of Pakistan, where the military regime has laid down a timetable for a political transition.

During 2004, one major development was the promise of a ceasefire between the SPDC and the Karen National Union. While this has yet to materialize, and the KNU still remains outside the current National Convention process (as it has from all domestic political negotiations since before independence), the KNU will find it difficult to revert to armed resistance in the face of the increasing determination of the Burmese army to defeat them militarily, and their capitulation is probably a matter of time. Should they waver on their course towards negotiation of a ceasefire with the SPDC, they can probably expect sharp military reprisals to force them back into line. Equally, however, their agreement to a ceasefire (if it were finalized) would be a big prize for the SPDC, and would enormously strengthen the SPDC's ability to claim to speak for the whole country. It would effectively mean an end to more than fifty years of insurgency against the government in Yangon.

More than ever since President Ne Win was forced to hand over power in 1988, future political developments in Myanmar depend almost entirely on the capacity of one man, SPDC Chairman Senior General Than Shwe. Gone is the earlier sense of SPDC collegiate government. This may prove a major challenge, both for Than Shwe, who is ageing and whose continued health cannot be assured, as well as for the loyalty of those closest to him. But if this loyalty holds, and if his own men remain in the ascendancy, the way might be open for Than Shwe to stand aside, to move to the background. It now seems increasingly clear that the younger group of generals promoted into positions of higher authority since 2002 will eventually take over the reins of government fully. They will have done so after what might prove to have been a surprisingly smooth — but certainly not uneventful — "transfer of power", and after as much preparation or "on the job training" as could probably be expected in Myanmar. But the key question remains unanswered — does the military regime really propose to hand over power to an elected government, notwithstanding their own claim to be a "temporary" government?

Observers are increasingly concluding that the NLD now faces even greater marginalization than ever before. This is clear from the continued detention of Aung San Suu Kyi, from the NLD's complete exclusion from the National Convention, and from the continued harsh clamp-down on

all kinds of political activity. Aung San Suu Kyi's own dominance over the opposition could also be called into question as her isolation from the political process becomes ever more profound.[5] This coincides with new, and surprisingly unheralded, signs that some leading figures in the expatriate struggle against the SPDC, as well as some "neutral" Burmese living overseas, are rethinking their outright opposition to the SPDC, and are beginning to open lines of communication with the SPDC.[6]

Current trends, if they continue, will undoubtedly further weaken the struggle for democracy being waged by overseas Burmese communities, who have little to show for more than fifteen years of struggle. Hitherto, despite their high international profile, such groups have been essentially marginal to the central political struggle; they have been weakened by their own divisions and remoteness from the situation on the ground, and by their inability to present themselves an alternative source of legitimacy. Despite continuing efforts to make headway in building coalitions, in order to overcome their intractable factionalism, cohesion is lacking. These groups cannot boast a great record of achievement so far, other than pressuring a small number of Western investors to close down their operations in Myanmar, as part of their informal sanctions campaign. Although their campaign against tourism has intensified in the past three years, tourist numbers reported by the government have increased, albeit from a very low level.

Yet, the overwhelming flow of international funds to opposition or "democratic" groups continues little changed, while the volume of international funds going to the people living in Myanmar remains miniscule. Apart from broadening the scope of unofficial sanctions, with decidedly mixed social and economic impact, funds directed to the overseas Burmese movements have resulted in little more than a highly unbalanced and essentially self-serving flow of public information, media coverage, and political advocacy in relation to Burma, especially in the United States and the United Kingdom. Not only does this seem quite remote from the actual needs of the Burmese people, it reflects a rigid tactical approach that appears incapable of brokering any compromise or opening the way to negotiations that might end the long-lasting political deadlock.

Despite the persistently poor performance of the Myanmar economy, the consequent socio-economic decline has been neither a catalyst for economic collapse nor for political or economic reform. In a situation

probably not seen anywhere else in the world in such a sizeable country, SPDC management of the economy occurs almost entirely without input from the world's international financial institutions or from influential investors. In recent years, foreign direct investment into Myanmar has dwindled to insignificant levels, as much because of the unfavourable economic conditions arising from the nature of economic policy-making as because of any campaigns against investment in, and tourism to, Myanmar. The informal sanctions campaign by Burmese opposition groups has claimed some high-profile successes, with companies such as Triumph and British American Tobacco withdrawing their investments in 2002 and 2003 respectively. The closure of such factories and the consequent loss of jobs, particularly evident in the textiles sector, has been acknowledged as having a detrimental impact on ordinary wage earners,[7] but there is no evidence of any impact on the military regime's hold on power.

During the last few years the number of international and national non-government organizations (NGOs) operating in Myanmar has grown considerably. While their ultimate influence is limited, international non-government organizations will continue to have an important role to play, if for no other reason than that they provide services and capacities that the Myanmar Government will still be unable to provide. The imperatives for provision of humanitarian assistance will remain as great as ever, and will continue to be independently attested to by objective and well-informed assessments by United Nations (UN) agencies, who have a wealth of experience operating on the ground in Myanmar. International NGOs are uniquely placed to implement projects at the community level, dealing directly with real problems faced by the people, and working in conjunction with local people to help produce practical responses to basic problems.

Whatever the arguments about engagement or pressure, when it comes to international NGOs, opinion in Myanmar seems overwhelmingly to favour their direct and full-blooded involvement. From humanitarian groups to intellectuals, from farmers to professional associations, Myanmar people recognize and welcome the positive encouragement and substantive gains that they obtain from the involvement of international NGOs. People who argue against this are in a minority in Myanmar. Of course, everything depends on the nature of the international NGOs' engagement, but as is evident in the contributions in this book, international NGOs are well aware of the need to manage their engagement carefully.

KEY THEMES

One of the underlying objectives of the 2004 Update Conference was to sharpen perceptions of the situation in Myanmar, in the hope that this might illuminate a better understanding of underlying conditions.

With the new National Convention process under way, whatever credibility problems it might face, it is clearly more important than ever to know what drives all the key players in the process, including the military. This may be even more important than before, since the views of the National League for Democracy seem increasingly likely to have little direct influence over the final outcome. Given a new line-up of little-known military leaders, who have much less exposure to international issues than their predecessors, it is vital for the international community to penetrate the thinking of this leadership group and identify whether or not it might be possible to encourage change to occur more rapidly, and the extent to which, and the ways in which, this might happen.

The most useful perceptions will always be based on a rigorous analysis of the situation, and not on biased or preconceived views. They will be based on direct contact and experience of the circumstances and the participants in those circumstances, and an objective but well-informed understanding of prevailing conditions and the personalities. They must also be founded on a sound strategic approach, rather than being driven by short-term opportunistic tactics. It is surprising how much of the Burma debate is not based on these essential criteria.

Most conferences dealing with Myanmar rely heavily on the expertise of the expatriate and (mostly Western) academic communities on Myanmar, but do not always have the benefit from much first-hand, recent or direct experience of Myanmar. This conference was consciously different. Accordingly, several chapters in this book are by knowledgeable practitioners who are working, or have worked, in Myanmar, who bring realism and credibility to their contributions. Others are by world-renowned experts who visit the country frequently and maintain extensive contacts there, and whose invaluable insights have over the years proven remarkably accurate. So whatever interpretations the different contributors might offer, and whatever ideas they might espouse, the aim was to present assessments that could claim great immediacy and practicality by virtue of being formulated in the current operational environment of Myanmar, unlike the positions that many Burma activists overseas advocate.

Political Dynamics Inside Burma/Myanmar

The chapters by **Robert Taylor** and **Larry Jagan** examine broad political developments, issues thrown up by recent political changes, and the current thinking of the military leadership and their objectives for the future. They do so from different perspectives, namely that of an academic and that of a journalist, but fundamentally agree on the prognosis for continued assertion of military control.

Against the background of debate about forms of power-sharing amongst the many communities in Myanmar, **Martin Smith** argues that the dynamics surrounding ethnic involvement in political process have shifted significantly since the National Convention last took place in the mid-nineties, only a short time after some of the ceasefire agreements had been signed. Ceasefire groups have developed increasing confidence in articulating their demands for political as well as economic and territorial rights, and will try to benefit more directly from their compliance with SPDC policies than they have to date by securing some gains in the process. They see the National Convention as an important, albeit rare, opportunity to lay out their claims and to push for them as hard as circumstances permit. There is no doubt, for example, that while groups such as the Kachin have benefited greatly from the ending of hostilities with the army — and while their compliance with the terms of the ceasefire has been valuable for the SPDC — they have not been able to secure the social and economic benefits that they expected would follow, and which they now value even more highly. Yet there is no immediate prospect of a more equitable, mutually satisfactory arrangement being offered by the SPDC.

The Weaker Position of the International Community

Together, ASEAN and Myanmar's Asian neighbours enjoy more influence in Yangon than Western countries do, but precisely how they will use this influence remains to be seen. India, China, and Japan seem likely to continue to compete for strategic influence in a rather empty contest, and each will be less than satisfied with the highly nationalistic and non-rational policy responses of the SPDC. But whether India, China or Japan would ever be prepared to play a more direct role to encourage political change remains to be seen. So far each of these countries has

been at pains to avoid taking on such a thankless role. Whether anything might come out of any Indonesian messages that convey quietly but directly to the regime their concerns about its lack of forward movement is also still unclear.

A stronger anti-UN sentiment seems to be emerging amongst the new SPDC leadership, and this could lead to even greater difficulties for UN Special Envoy Razali, for the ILO presence in Yangon, and perhaps even for other more established UN activities in Myanmar. Whether any hiccups are just short-term, and can be overcome with patience and persistence, or whether they will translate into longer-term problems, remains to be seen. If such setbacks to the broader role played by the United Nations were to eventuate, it could take some time for this ground to be recovered.

At the same time, while the intensity of the limited Western sanctions against the regime has increased over the past three years, the political impact of sanctions is negligible, and will remain so as long as Myanmar's powerful neighbours, China and India, continue to underpin the country, as seems most likely. Indeed, the use of non-UN sanctions has probably, if anything, hardened regime attitudes on whether or not to concede to demands for change from the international community. The judgments on this question by Robert Taylor and by **Morten Pedersen** in their chapters are difficult to gainsay. They reinforce the carefully-balanced assessment made two years earlier in the conference on "Reconciliation in Myanmar and the Crises of Change" at Johns Hopkins University that "there is little evidence to support the idea that sanctions alone have played a significant role in causing the changes in Burma/Myanmar since 2000".[8] Morten Pedersen makes the case for a more intelligent, comprehensive approach to providing assistance that does not exclude working with decision-makers but rather seeks to influence them.

Whereas in some other conflict-torn states, returning expatriates have made a significant contribution both to national reconstruction and national reconciliation, there is little sign yet of this occurring in any significant way in Myanmar. **Zaw Oo** presents a comprehensive description of the successful move to internet campaigning by the Burma opposition groups overseas. Yet he, too, acknowledges their difficulties in achieving the primary goal of regime change.

In the context of the debate in recent years over sanctions versus "engagement", several speakers were asked to focus on the nature of international assistance inside Myanmar, and to provide real life "case

studies" in various sectors. Little coverage of such experiences can be found in conferences on Burma or in published literature until now, because such activities are clearly not regarded as "politically correct" by the most vocal activists and by some foreign governments. The relatively positive outcomes from much of this sort of assistance also remain less well known, and it is not sufficiently recognized for its contributions, but equally have yet to demonstrate that its undoubted improvements can be sustained.

Viewing the situation from a Myanmar perspective, **U Myint** demonstrates that there is considerable scope for international assistance to influence policy development and implementation in a much more "hands on" way.

Reinforcing Civil Society as an Alternative?

One of the underlying reasons why change in Myanmar has not been propelled by pressures from within the country is the extremely debilitated state of civil society structures. Anyone visiting or working in the country, even briefly, cannot but be surprised by the present sorry state of affairs. So it was reasonable for the 2004 Update Conference to examine once again the role, if any, of civil society in promoting change.

As **David Steinberg** reports in his chapter, domestic civil society has been so comprehensively suppressed, not only under the SLORC/SPDC regime but also during the Ne Win period, that it will remain weak and in an embryonic state for the foreseeable future. In most countries civil society forms the strong and essential underpinning for the creation of democratic forces, but in Myanmar it has been drastically weakened by decades of active official restriction and is unlikely to play a determining role in achieving national reconciliation at this stage. But the momentum towards adopting the new Constitution has increased, however slightly, and it will be hard for the SPDC to turn back increasing grass-roots interest in greater community participation in development and empowerment. As Steinberg cogently demonstrates, the military regime's lack of legitimacy and the absence of broad-based civil society structures are closely linked.

David Tegenfeldt and **Karl Dorning** provide unique first-hand insights in asking how international non-government organizations can contribute through strengthening civil society structures and encouraging positive change. Taking examples of how civil society roles in some other key

internal conflicts were an essential ingredient in the major transformations that occurred, and with the insights that come from their many years of immersion in Myanmar society and culture, both are optimistic about the capacity of Myanmar people to respond although they recognize the enormity of the residual problems.

David Tegenfeldt calls for more strategic and more conscious efforts to promote change in Myanmar than have been applied in the past. His suggestion of drawing lessons from other historically significant internal conflicts is neither far-fetched nor theoretical. Karl Dorning details how international NGOs are already playing a significant role in re-building civil society, but also argues that this is nowhere near enough, given the manifest needs in Myanmar.

Far-Reaching Economic Reforms Needed

So far there has been little spill-over from the very limited presence of foreign investors in Myanmar. The main reason for this, apart from the general imperviousness of the country to outside influences under the military regime, is the reality that most foreign investors are obliged to operate through joint ventures with government-run or government-directed organizations.

Richard Jones explains how foreign investors inevitably encounter certain compromising situations in their relationship with the authorities, but outlines how these can be dealt with effectively by suitable preparations and sensitivity. In carrying out its social programmes in Myanmar, Premier Oil systematically sought input from a range of experts in order to ensure — to the extent this was possible — that its commercial activities and related social programmes were carried out in a way that was sensitive to community concerns. These experts — mainly from universities — advised Premier Oil on social and humanitarian aspects of their operations (Warwick, Essex Universities in the UK, Monash and Western Sydney Universities in Australia) as well as on the particular cultural and political contexts in which Premier Oil was functioning in Myanmar. Given that interaction between foreign investors and the government authorities is a fact of life in a country like Myanmar, it behoves foreign investors to be extremely sensitive to local conditions and to assume a measure of ethical responsibility for their activities in a systematic way. There is no evidence

to date of foreign investors being punished by the authorities for taking principled positions on workplace issues and on the social and economic context in which they are operating. But there is also not much evidence yet of improved working conditions and labour practices arising from the presence of foreign investors. This could easily change if foreign direct investment were to grow more rapidly in the future, but this seems unlikely for the moment, given the recent extension of sanctions by certain Western countries.

Sean Turnell's incisive snapshot of the SPDC's mismanagement of the financial and banking problems during 2003–04 demonstrate both the compound impact of inept military controls of the economy and the resilience of the subsistence economy. One key point in his analysis is the absence so far of any measurable macro-economic impact from sanctions.

As Turnell notes at the end of his assessment of the economy, while the broad economic impact of sanctions is still difficult to measure, there have been undeniable short-term adverse effects on employment, business activity and (indirectly) on overall living standards. But this does not foreshadow the economic collapse of the regime. In all probability, any impacts from sanctions will continue to be mitigated in various ways, with flows of assistance from China, India, and Japan picking up in recent years. Without a move to more universal sanctions, a collapse arising from sanctions can be ruled out. Any move to wider, UN-based sanctions clearly remains out of the question, however.

Agriculture was given considerable attention at this 2004 conference, as health had been on previous occasions. Arguably, agriculture can also be the source of powerful humanitarian welfare improvements, and certainly in Myanmar it occupies a leading place in economic development. Interestingly, when in 2002 the SPDC sought to show Aung San Suu Kyi examples of progress under their administration, it was agricultural infrastructure and power generation projects that they took her to see. From her point of view, Aung San Suu Kyi did not dispute this choice, and subsequently told observers in Yangon that she was impressed by some of the government projects and respected the dedication and skills of government technicians.

Clearly, the main requirement for greater progress in agricultural development is to allow market forces to function without intervention from the government, while ensuring that the government provides an

overall strategic policy that takes account of food security needs, and of Myanmar's domestic diversity of climates and natural endowments, at the same time as ensuring consistency and predictability of policy.

Graeme Batten and **Myo Win** argue that improvements in infrastructure are an essential pre-requisite for achieving progress in efficient and sustainable agricultural development. They provide a wealth of information about the agricultural sector, while identifying shortcomings and areas for future international assistance aimed at improving food security and thereby alleviating poverty, which they argue should be accorded the same priority as health by the international community. Theirs is a more optimistic perspective than that of Ardeth Maung Thawnghmung in the 2002 Myanmar Update.[9] They also acknowledge the underlying constraints arising from the absence of a fully-developed, market-driven macro-agricultural policy. But modest changes have been occurring in agricultural policy, and the Rector of the Yezin Agriculture University, **Dr Kyaw Than**, in his introductory commentary openly recognizes many shortcomings and the need for international assistance to help overcome various obstacles.

John Copland provides an experienced and balanced view of Myanmar's agricultural needs, based on his extensive experience of working in the developing agricultural economies of Southeast Asia. He also offers publicly, for the first time, case studies of two projects currently under way in Myanmar with financial support from the Australian Centre for International Agricultural Research (ACIAR). Aung San Suu Kyi, who was consulted about these projects before they began, was impressed by the way in which they were designed to ensure that direct benefits would go to the people.

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Despite Western and Asian expressions of concern about the excessively "leisurely" pace of change, realistically the maximum one might expect might be the completion of a referendum and establishment of a transitional government under the military by mid-2006. National reconciliation is likely to be a drawn-out gradual process, rather than a single event or agreement.

The new leadership will probably remain highly risk-averse for the immediate future, and there is little sign so far of the major change in attitude necessary if they are to accomplish their own agenda in any

reasonable time-frame. A move into a period of isolationism cannot be ruled out, but this is likely to be short-term, because Myanmar's integration with the region is too great to be ignored or reversed, and because the SPDC depends on assistance from China and India in particular.

Severe cleavages in society need to be mediated. While it is not clear how this might be achieved, given the lack of organizations with a track record of success in dealing with the military authorities, perseverance with any practical form of engagement helps. In the meantime, the SPDC's essential lack of legitimacy — and their basic inability to overcome this through their current approaches — will remain a major obstacle to a long-term political solution. While it is increasingly hard to identify what might prove to be the catalyst for change, it is nevertheless important to keep trying to find solutions that can break the deadlock between the two opposing sides. A more pro-active — but mutually acceptable — political role by the United Nations could still be a long way off, but this would only be possible if key UN member states such as China, the United States, and Myanmar itself, could agree on it.

Notes

1 Formerly known as the State Law and Order Restoration Council (SLORC).

2 A similar investigation into associates of former President Ne Win and his family occurred after the arrest of Ne Win's family in early 2002, but that was on a much smaller scale.

3 It was criticized for these shortcomings by the United Nations Secretary General, Kofi Annan. "Secretary-General Reiterates that Myanmar's National Convention Must Be All-Inclusive To Be Credible", Statement, SG/SM/9309, 17 May 2004. Available at: http://www.un.org/News/Press/docs/2004/sgsm9309.doc.htm. Accessed 6 July 2005.

4 Invitations to NLD Chairman, U Aung Shwe, and some other NLD delegates were issued by the Government, but it was clear that any NLD participation would be decided by a party executive decision. NLD Central Executive Committee members were allowed to meet Secretary-General Aung San Suu Kyi and Vice Chairman Tin Oo while they were in detention to deliberate on this matter.

5 Nandar Chann offers an unusually gloomy analysis in "Opposition Blues", *Irrawaddy Online Edition*, February 2005. Available at: http://www.irrawaddy.org/aviewer.asp?a=4426&z=104. Accessed 10 July 2005.

6 In particular, the case of Zarni, the young leader of the US-based Free Burma

Coalition who controversially returned to Yangon for secret talks with the SPDC leadership in May 2004, as part of a wider ongoing SPDC campaign to cultivate selected influential members of the Burmese diaspora. Zarni has set out publicly the reasons for the shift in his thinking in the May Kha List at Listserv.Indiana.edu/archives/maykha-l.html of 6 September 2004, in the form of a letter to one of his questioners, "My One Day Trip to Rangoon and Our Track II Initiative". (Accessed 12 July 2005)

7 US Department of State, "Conditions in Burma and U.S. Policy Toward Burma for the Period September 28, 2003–March 27, 2004", Press release by the Bureau of East Asian and Pacific Affairs, U.S. Department of State, 13 April 2004.

8 See, School of Advanced International Studies, Johns Hopkins University, "Conference Report: Burma: Reconciliation in Myanmar and the Crises of Change", Report of conference held 21–23 November 2002, Washington DC, p. 6. Available at:http://www.sais-jhu.edu/programs/asia/SEA/SEA_Publications/Southeast%20Asia/Burma%20Conference%20Report_Final.pdf (Accessed 8 July 2005).

9 Ardeth Maung Thawnghmung, "Agricultural Implementation Processes in Burma/Myanmar: Problems and Limitations", in *The Illusion of Progress: The Political Economy of Reform in Burma/Myanmar*, edited by David S. Mathieson and R.J. May (Crawford Press, Adelaide, 2004).