

Persuading Pariahs: Myanmar's Strategic Decision to Pursue Reform and Opening

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ABSTRACT

Myanmar's liberalizing reforms since late 2010 have effectively shed the country's decades-long "pariah state" status. This article evaluates competing explanations for why Myanmar's leaders made the strategic decision to pursue reform and opening. We examine whether the strategic decision was motivated by fears of sudden regime change, by socialization into the norms of the Association of Southeast Asian Nations (ASEAN), or by the geopolitics of overreliance on China. Drawing on newly available materials and recent field interviews in Myanmar, we demonstrate how difficult it is for international actors to persuade a pariah state through sanctions or engagement, given the pariah regime's intense focus on maintaining power. However, reliance on a more powerful neighbour can reach a point where costs to national autonomy become unacceptable, motivating reforms for the sake of economic and diplomatic diversification.

KEYWORDS: Myanmar/Burma, China, ASEAN, sanctions, pariah states, authoritarian transitions, Aung San Suu Kyi

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For over two decades, Myanmar suffered the reputation of an international pariah. After the 1988 coup that inaugurated 22 years of military rule under the State Law and Order Restoration Council / State Peace and Development Council (SLORC/SPDC),¹ Myanmar incurred international condemnation and sanctions for human rights violations, including annulling the National League for Democracy's (NLD) electoral victory in 1990; detaining opposition leaders, including NLD General Secretary Aung San Suu Kyi; killing civilians during military campaigns against armed ethnic minority groups; violently suppressing civil protests in the 2007 "Saffron Revolution"; and muzzling free speech and the press.² The junta appeared unmoved by sanctions and international exhortations to pursue reform and opening. Its apparent steps toward ending military rule under the 2003 "Roadmap to Discipline-Flourishing Democracy" were often marred by process irregularities, lack of inclusiveness and transparency, and restrictions on and sometimes violent repression of opposition parties. Though the SPDC held landmark elections for a civilian government in November 2010, supporters of democracy were not encouraged when the pro-military Union Solidarity and Development Party (USDP) swept the polls and elevated Prime Minister Gen. Thein Sein to the presidency.

Many were surprised, however, when Thein Sein initiated extensive reforms in 2011: releasing political prisoners, loosening media and civil society restrictions, and allowing Aung San Suu Kyi and other opposition members to run for parliament. Myanmar's pariah status quickly abated as a parade of foreign leaders visited the country and eased sanctions. In November 2015, Myanmar's first general election under nominally civilian rule saw the NLD defeat the USDP in a landslide, marking a new era in Myanmar's politics.³

The manner in which Myanmar pursued transformative reforms raises important questions. Why did the SPDC pursue reform and opening when it did? What motivated the strategic decision to pursue transformative policies? Several scholars have argued that domestic factors drove Myanmar's reforms. Jones maintains that the junta's co-optation of ethnic militias allowed it to resume a democratization process it had begun and aborted in 1990 and again in 1996.⁴ Bünthe, along with Croissant and Kamerling, emphasizes the aging SPDC leaders' desire to manage succession politics through

¹ The SLORC renamed itself the SPDC in 1997 but remained substantively unchanged.

² On Myanmar's human rights situation, see the "Burma" chapters in Human Rights Watch's annual World Reports. <http://www.hrw.org/node/79288>. Accessed 6 May 2016.

³ The NLD won 255 seats in the 440-seat House of Representatives (*Pyithu Hluttaw*) and 135 seats in the 224-seat House of Nationalities (*Amyotha Hluttaw*). The USDP retained 30 seats in the House of Representatives and 11 seats in the House of Nationalities.

⁴ Lee Jones, "Explaining Myanmar's Regime Transition: The Periphery is Central," *Democratization* 21, no. 5 (2014).

institutionalization.⁵ Roger Lee Huang argues that the junta sought to retain political control but did not foresee the extent of reforms under Thein Sein, an assessment shared by MacDonald.⁶

Other scholarship emphasizes international factors as primary catalysts for reform. One argument is that Myanmar's leaders implemented domestic reforms to pursue rapprochement with the European Union, the United States, and other sanctions-imposing countries, and to counterbalance China's growing political and economic influence.⁷ Another possible factor behind Myanmar's transition is the socializing role of the Association of Southeast Asian Nations (ASEAN) and more generally, Myanmar's desire for international prestige.⁸ While more than one of these factors may have motivated Myanmar's reforms, an "all of the above" answer leaves the country's political transformation over-determined and under-examined.

This article weighs the theoretical logic and empirical evidence for three competing explanations for Myanmar's strategic decision to pursue transformative policies: first, junta leaders' desire to maintain power and avoid sudden regime change; second, socialization into ASEAN norms; and third, the desire to reduce China's political and economic influence over Myanmar.⁹ We base our research on numerous interviews with key informants in or engaged with Myanmar, as well as on primary documents. We find that while multiple factors motivated Myanmar's strategic decision, the most important driver was concern about China's growing influence.

To frame the analysis, the next section defines pariah states and what it means to make a strategic decision to pursue transformative policies and exit pariahdom. We then briefly outline our interview methodology before discussing the timing of Myanmar's transformative reforms. Subsequent sections review theoretical bases and empirical support for each of the three competing explanations. In the conclusion, we summarize our findings and discuss possible implications for other pariah states and for Myanmar's political future.

⁵ Aurel Croissant and Jill Kamerling, "Why Do Military Regimes Institutionalize? Constitution-Making and Elections as Political Survival Strategy in Myanmar," *Asian Journal of Political Science* 21, no. 2 (2013); Marco Bunte, "Burma's Transition to 'Disciplined Democracy': Abdication or Institutionalization of Military Rule?" *GIGA Working Papers* no. 177 (August 2011).

⁶ Roger Lee Huang, "Re-thinking Myanmar's Political Regime: Military Rule in Myanmar and Implications for Current Reforms," *Contemporary Politics* 19, no. 3 (2013): 258; Adam MacDonald, "From Military Rule to Electoral Authoritarianism: The Reconfiguration of Power in Myanmar and Its Future," *Asian Affairs: An American Review* 40, no. 1 (2013): 27.

⁷ Marco Bunte and Jörn Dosch, "Myanmar: Political Reforms and the Recalibration of External Relations," *Journal of Current Southeast Asian Affairs* 34, no. 2 (2015): 5; Maung Aung Myoe, "Myanmar's China Policy Since 2011," *Journal of Current Southeast Asian Affairs* 32, no. 2 (2015).

⁸ Priscilla Clapp, *Myanmar: Anatomy of a Political Transition* (Washington, DC: United States Institute of Peace, 2015), 12; International Crisis Group, *Myanmar's Military: Back to the Barracks?* (Washington, DC: International Crisis Group, 2014), 7.

⁹ We do not dismiss other explanations out of hand, but space considerations limit our analysis to these three, which are plausible and often debated in academic and policy communities.

Definitions and Methodology

Pariah states are states that have been ostracized by significant portions of the international community for violating international norms. They tend to suffer diplomatic isolation, restrict cross-border movement, and persistently violate norms despite economic sanctions or shaming by other states, international organizations, and transnational civil society.¹⁰ Common examples include apartheid-era South Africa, Afghanistan under the Taliban, and present-day North Korea.¹¹ A *strategic decision* is a commitment to a plan for achieving long-term national objectives, responding to the interaction of domestic and international actors and conditions. A strategic decision to adopt transformative policies is thus a deliberate choice by pariah state leaders to abandon norm-violating behaviour by substantially adjusting the government's goals, methods, or even the regime itself. Transformative policies are planned, sustained, comprehensive, and therefore costly for leaders to implement or reverse.

Strategic decisions differ from tactical concessions intended to deflect international criticism or elicit concessions from the international community at minimal cost. Tactical concessions tend to be reversible, narrow in scope, enacted in piecemeal fashion, and undertaken with the expectation of immediate rewards.¹² Tactical concessions and strategic decisions are not mutually exclusive, and strategic decisions are not necessarily irreversible, but they are more than tipping points in that leaders make a deliberate decision to implement reform and opening. Strategic decisions are not inevitable—we are interested in what motivates actors to undertake such decisions—but they can be over-determined. In the words of two interviewees: “nothing seemed to work [to motivate Myanmar's reform and opening] until everything worked,” and “while an unsuccessful policy becomes an orphan, a successful policy has no shortage of purported parents.”¹³

¹⁰ For examples, see Robert E. Harkavy, “Pariah States and Nuclear Proliferation,” *International Organization* 35, no. 1 (1981): 135–163; Tim Niblock, *“Pariah States” and Sanctions in the Middle East: Iraq, Libya, Sudan* (Boulder: Lynne Rienner Publishers, 2001), 12–13. Pariah states are not necessarily self-isolating hermit states, nor are they necessarily sanctioned by all of their neighbours; in Myanmar's case, see David Kinley and Trevor Wilson, “Engaging a Pariah: Human Rights Training in Burma/Myanmar,” *Human Rights Quarterly* 29, no. 2 (2007): 368–402. On UN engagement with Myanmar, see Anna Magnusson and Morten B. Pedersen, *A Good Office? Twenty Years of UN Mediation in Myanmar* (New York: International Peace Institute, 2012).

¹¹ Jonathan T. Chow and Leif-Eric Easley, “No Hope Without Change: Myanmar's Reforms and Lessons for North Korea,” *Asan Issue Brief*, no. 36 (2012): 1–13.

¹² Thomas Risse and Kathryn Sikkink, “The Socialization of International Human Rights Norms into Domestic Practice,” in *The Power of Human Rights: International Norms and Domestic Change*, eds. Thomas Risse, Stephen C. Ropp, and Kathryn Sikkink (Cambridge: Cambridge University Press, 1999), 25.

¹³ Author conversations with Myanmar experts in the think tank community in Washington, DC, December 2015.

Empirical evidence regarding Myanmar's strategic decision to reform was collected via government statements, Burmese and other media sources, the secondary literature on Myanmar, and in-person semi-structured interviews conducted by the authors. We met over 25 key informants in Yangon and Naypyidaw in June 2014 and November 2015, plus a dozen key informants based in or visiting Seoul and Washington, DC, in 2014 and 2015. Interviewees included former and current Myanmar policy makers with both pro-military and pro-opposition sympathies; uniformed and non-uniformed military officials; academic and think-tank researchers; members of civil society organizations, including former political prisoners; Myanmar-based international NGO and foreign embassy staff; and journalists. Interviewees were contacted by e-mail, some without prior introduction and others via professional referrals. Due to the politically sensitive nature of our questions, interlocutors met us on the understanding that we would obscure their identities. We asked interlocutors to describe the timing and manner of the strategic decision to pursue reforms, and to assess the relative importance of different factors in shaping the decision. We then compared that testimony with evidence from documentary and secondary sources regarding timing, process, and political context.

We acknowledge that pinpointing a strategic decision with relative certainty requires access to the thinking of Myanmar's top leaders, much of which remains opaque, both because of the leaders' unwillingness to speak openly about their decision making and because of the unavailability of internal documents that might illuminate those processes. Until such information becomes available, we must rely on the testimony of individuals with deep knowledge of Myanmar's political developments and on other primary and secondary sources to make an informed first cut at explaining the strategic decision to reform and open.

Myanmar as a Pariah State and the Strategic Decision to Reform

Although Myanmar's international reputation was entwined with the corrosive leadership of General Ne Win, who essentially ruled the country between 1962 and 1988, Myanmar's pariah status was most closely linked to the SLORC's seizure of power in September 1988 after widespread protests prompted Ne Win's resignation. The military (Tatmadaw) violently suppressed political opposition and in July 1989 placed NLD General Secretary and co-founder Aung San Suu Kyi under house arrest, where she remained intermittently for fifteen of the next twenty-one years. The junta initially insisted it had no intention of clinging to power and would hold elections and accept a transition to civilian government. Its position gradually shifted, however, and in early 1990 it declared that a new constitution needed to be drafted and approved by a national referendum before an elected government could take power. In May 1990, the SLORC held elections for

a “People’s Assembly,” allowing the NLD and other parties to run. To the junta’s surprise, the NLD won 392 of 485 seats. Backed by international support, the NLD insisted that the SLORC transfer power immediately and allow elected representatives to form a government. The SLORC refused and in October 1990 effectively annulled the election and suppressed the NLD, arresting leaders or forcing them into exile.¹⁴ This prompted international condemnation and sanctions by the United States and European countries, including trade and investment restrictions, arms embargoes, and travel bans on SLORC officials and their families.

Between 1993 and 1996, the SLORC sporadically convened and tightly stage-managed a new National Convention, passing provisions disqualifying Aung San Suu Kyi from the presidency and ensuring a leading role for the Tatmadaw in a future elected government.¹⁵ In November 1995, NLD delegates walked out of the convention in protest. The Convention Commission subsequently expelled them and on March 31, 1996, the SLORC adjourned the convention indefinitely, stalling political reform. Though the junta released Aung San Suu Kyi from house arrest in July 1995, it restricted her activity and over the next several years weakened the NLD, arresting hundreds of senior members, closing down NLD offices, and forcing thousands of ordinary NLD members to resign.¹⁶

In September 2000, the junta placed Aung San Suu Kyi under house arrest again after she attempted to travel for political meetings. Following months of secret talks between Aung San Suu Kyi and the SPDC, brokered by Tan Sri Razali Ismail, the UN secretary-general’s special envoy, the junta released Aung San Suu Kyi again in May 2002 and allowed her to move about the country. Yet, the reconciliation process stalled and in May 2003, Aung San Suu Kyi and her entourage were attacked by pro-junta forces near the town of Depayin, resulting in the death or injury of dozens of NLD supporters.¹⁷ Aung San Suu Kyi herself was arrested and incarcerated in Insein Prison before being returned to house arrest in September.

¹⁴ Derek Tonkin, “The 1990 Elections in Myanmar: Broken Promises or a Failure of Communication?” *Contemporary Southeast Asia* 29, no. 1 (2007): 38–41. Observers dispute whether the junta intended to hold elections for a new government and changed its mind when the NLD won, or if it only intended to form a constituent assembly to draft the constitution. See Bertil Lintner, “The 1990 Election: Sorting Fact from Fiction,” *The Irrawaddy*, 20 October 2015. <http://www.irrawaddy.com/election/opinion/the-1990-election-sorting-fact-from-fiction>.

¹⁵ The National Convention included 702 delegates, of whom 106 had been elected in 1990 (including 86 NLD delegates). The remaining 596 were handpicked by the SLORC. Human Rights Watch, “Vote to Nowhere: The May 2008 Constitutional Referendum in Burma,” (New York: Human Rights Watch, 2008), 16–18; Ashley South, *Ethnic Politics in Burma: States of Conflict* (London and New York: Routledge, 2008), 53.

¹⁶ Donald M. Seekins, “Burma in 1999: A Slim Hope,” *Asian Survey* 40, no. 1 (2000): 19.

¹⁷ Casualty figures vary widely. The government cited four dead and 40 injured whereas the opposition cited 70 dead and 100 injured. Kyaw Yin Hlaing, “Myanmar in 2003: Frustration and Despair?” *Asian Survey* 44, no. 1 (2003): 88.

In August 2003, following a reshuffle of the junta's top positions, newly appointed Prime Minister Khin Nyunt announced the seven-step "Roadmap to Discipline-Flourishing Democracy," according to which Myanmar would draft a new constitution, hold legislative elections, and transition to a "modern, democratic and developed nation."¹⁸ In May 2004, the junta reconvened the National Convention, though again, it tightly controlled the process and excluded the NLD and ethnic insurgents (except ethnic minority groups who had agreed to ceasefires with the government).¹⁹ Despite the October 2004 purge of Khin Nyunt, then-Secretary-1 Thein Sein affirmed that the roadmap was the policy of the entire SPDC, which would continue to implement it.²⁰ In September 2007, the convention completed its work and in May 2008, the Constitution was approved by national referendum.²¹ However, the referendum's legitimacy was tarnished by allegations of coerced voting, as well as its timing—just one week after Cyclone Nargis, the worst natural disaster in Myanmar's recorded history.²² In November 2010, the government held national parliamentary elections. Though generally not considered fair or free, the elections marked a turning point when the junta began to relinquish power. The military-backed USDP won majorities in both parliamentary houses.²³ On January 31, 2011, the parliament convened for the first time in 22 years.

The junta's deliberate moves to implement the roadmap and welcome a nominally civilian government point to a strategic decision by the November 2010 elections. This timeframe is supported by officials in Myanmar's Ministry of Foreign Affairs (MOFA) and informed academics in Yangon.²⁴ As described

¹⁸ The seven steps were: 1) reconvening the National Convention; 2) step-by-step implementation of a "genuine and disciplined democratic system"; 3) drafting a new constitution based on the principles established by the National Convention; 4) adopting the constitution via a national referendum; 5) free and fair legislative elections; 6) convening the legislative bodies; and 7) building a modern, developed, and democratic nation. "Adjourned National Convention to Be Reconvened; New Constitution Will Be Drafted," *The New Light of Myanmar*, 30 August 2003. <http://www.ibiblio.org/obl/docs/Roadmap-KN.htm>.

¹⁹ Morten B. Pedersen, "The Politics of Burma's 'Democratic' Transition: Prospects for Change and Options for Democrats," *Critical Asian Studies* 43, no. 1 (2011): 53.

²⁰ "Seven-Point Road Map Is Not Policy of Individual but State Policy," *New Light of Myanmar*, 7 November 2004.

²¹ On the convention process, see Robert Taylor, "One Day, One Fathom, Bagan Won't Move": On the Myanmar Road to a Constitution," in *Myanmar's Long Road to National Reconciliation*, ed. Trevor Wilson (Singapore: ISEAS, 2006), 3–28.

²² Donald M. Seekins, "Myanmar in 2008: Hardship Compounded," *Asian Survey* 49, no. 1 (2009): 169.

²³ The NLD boycotted the November 2010 election, citing detention of political prisoners, barring of international election monitors, and constitutional provisions "not in accord with democratic principles." National League for Democracy, Shwegondaing Declaration, 29 April 2009. <http://www.burmanet.org/news/2009/04/29/national-league-for-democracy-shwegondaing-declaration/>.

²⁴ Interviews with Myanmar academics and former Myanmar diplomats, Yangon, Myanmar, November 2015. We acknowledge that the strategic decision concept simplifies reality. Myanmar's leaders did not necessarily make a single momentous decision to adopt reforms, but evidence strongly suggests that reforms were planned but considered reversible up to a certain point. Top leaders made a strategic decision to go past this point.

above, the junta interrupted and reversed its tentative steps toward democratization in 1990 and 1996. From the issuance of the roadmap in August 2003 up to 2010, reforms exhibited a “two steps forward, one and a half back” pattern. However, on November 13, 2010, Aung San Suu Kyi was released from house arrest, less than one week after the parliamentary elections. On March 30, 2011, Than Shwe dissolved the junta and a nominally civilian government initiated transformative policies. The following sections examine the extent to which leadership concerns for regime maintenance, international reputation, and geopolitical independence motivated Myanmar’s strategic decision to reform and open.

Regime Change Fears and the Strategic Decision

Did Myanmar’s leaders initiate reforms to avoid sudden regime change? This hypothesis derives from observations on the nature of military-led autocracies. Such regimes tend to prioritize the military’s institutional unity and welfare—including access to sufficient resources and autonomy from civilian leadership—and cling to power less tightly than personalist cliques or dominant-party authoritarian regimes.²⁵ For professional militaries, strong norms of discipline and order correspond with deep concerns for political stability and fears that factionalism could divide the armed forces and possibly incite civil war.²⁶

In contemplating retreat from direct rule, military regimes enjoy an advantage over personalist dictatorships in that they can remain professional soldiers under a successor regime. Since it can launch a future coup, the military can extract guarantees that it will not be punished for actions it committed while in power.²⁷ Consequently, between 1946 and 2004, 58 percent of military regimes succeeded by democracies and 49 percent of those succeeded by dictatorships ended without punishment of military leaders, compared with only 35 percent of personalist dictatorships succeeded by democracy and 32 percent succeeded by another dictatorship.²⁸

Like other authoritarian regimes, a military regime can safeguard its privileges by establishing an authoritarian support party. By distributing rents to loyal party members and withholding them from non-members, the

²⁵ Barbara Geddes, “What Do We Know about Democratization after Twenty Years?” *Annual Review of Political Science* 2 (1999): 126–129.

²⁶ Guillermo O’Donnell and Philippe C. Schmitter, *Transitions from Authoritarian Rule* (Baltimore and London: Johns Hopkins University Press, 1986), 19, 32–36.

²⁷ Robert H. Dix, “The Breakdown of Authoritarian Regimes,” *Western Political Quarterly* 35, no. 4 (1982): 567–568; Eric A. Nordlinger, *Soldiers in Politics: Military Coups and Governments* (Englewood Cliffs: Prentice-Hall, 1977), 142–143; Daniel Sutter, “Settling Old Scores: Potholes along the Transition from Authoritarian Rule,” *Journal of Conflict Resolution* 39, no. 1 (1995).

²⁸ Abel Escribà-Folch, “Accountable for What? Regime Types, Performance, and the Fate of Outgoing Dictators, 1946–2004,” *Democratization* 20, no. 1 (2013): 175–176.

party can co-opt political opposition, cultivate broader support, regularize succession, and protect its long-term interests.²⁹ Studies of military regime transitions support this narrative. Most military regimes have lasted less than a decade, on average,³⁰ and have ended peacefully. Between 1946 and 2010, only 43 percent of military regimes ended in insurgency, popular uprising, or invasion, compared with 64 percent of dominant-party regimes and over 90 percent of personalist dictatorships.³¹

Some evidence suggests that Myanmar pursued democratic reforms because its leaders feared regime change, partly owing to the United States' perennial calls for the SPDC to respect the results of the 1990 elections (and thus relinquish their rule), regular military exercises with Thailand, and support for Burmese dissidents.³² One former Burmese diplomat observed that junta leaders worried about the Arab Spring and wanted to ensure a stable transition to power,³³ supporting claims by other observers.³⁴ However, when the Arab Spring began in December 2010, Myanmar had already completed its first legislative elections toward civilian government, so protests in the Middle East and Northern Africa could not have been decisive in shaping the strategic decision to pursue reform. Selth argues that Myanmar's generals feared armed intervention by the US, its allies, or even the UN, as well as violence by ethnic militias and dissidents allegedly receiving international support. When Cyclone Nargis struck in May 2008, causing some 140,000 fatalities and US\$10 billion in damage, Myanmar's leadership initially refused foreign relief personnel, apparently fearing they would demonstrate the regime's weakness and encourage unrest ahead of the pending constitutional referendum.³⁵

²⁹ Martin K. Dimitrov, "Understanding Communist Collapse and Resilience," in *Why Communism Did Not Collapse: Understanding Authoritarian Regime Resilience in Asia and Europe*, ed. Martin K. Dimitrov (New York: Cambridge University Press, 2013), 29–34; Jennifer Gandhi and Adam Przeworski, "Authoritarian Institutions and the Survival of Autocrats," *Comparative Political Studies* 40, no. 11 (2007); Barbara Geddes, "Party Creation as an Autocratic Survival Strategy," paper presented at the Conference on Dictators, Princeton, NJ, USA, April 2008; Beatriz Magaloni and Ruth Kricheli, "Political Order and One-Party Rule," *Annual Review of Political Science* 13 (2010): 126–130.

³⁰ Geddes, "What Do We Know," 131–133.

³¹ Barbara Geddes, Erica Frantz, and Joseph G. Wright, "Military Rule," *Annual Review of Political Science* 17 (2014): 158.

³² David I. Steinberg, "The United States and Its Allies: The Problem of Burma/Myanmar Policy," *Contemporary Southeast Asia* 29, no. 2 (2007): 223–224, 229.

³³ Interview with former Myanmar diplomat, Yangon, November 2015.

³⁴ Baladas Ghoshal, "Democratic Transition in Myanmar: Challenges Ahead," *India Quarterly* 69 (2013): 122; Kyaw Yin Hlaing, "Understanding Recent Political Changes in Myanmar," *Contemporary Southeast Asia* 34, no. 2 (2012): 209. For a more skeptical view of the Arab Spring's role, see Sean Turnell, "Myanmar's Fifty-Year Authoritarian Trap," *Journal of International Affairs* 65, no. 1 (2011): 81, 86–88.

³⁵ Andrew Selth, "Even Paranoids Have Enemies: Cyclone Nargis and Myanmar's Fears of Invasion," *Contemporary Southeast Asia* 30, no. 3 (2008): 383–385, 391–392; interview with Burmese academic, Yangon, November 2015.

However, there are reasons to believe that the junta actually had *less* fear of sudden regime change over time. First, the military remained relatively disciplined and unified, with institutions in place to ensure that even members who disagreed with the top leadership had strong incentives to avoid conflict.³⁶ The death of Secretary-2 Lt. Gen. Tin Oo in a February 2001 helicopter crash, the removals of Secretary-3 Lt. Gen. Win Myint and Deputy Prime Minister and Military Affairs Minister Lt. Gen. Tin Hla in November 2001 on corruption charges, and the subsequent elimination of their positions helped concentrate political power in Than Shwe, SPDC Vice-Chairman Maung Aye and Secretary-1 Khin Nyunt.³⁷ The 2004 purge of Khin Nyunt and his powerful military intelligence organization further strengthened Than Shwe's position. Though rivalry between Maung Aye and Than Shwe continued, it did not approach mutiny. Than Shwe's maneuvers allowed him to remain in control of the SPDC, regional commands, and ministries.³⁸

Second, the SLORC/SPDC significantly consolidated its power relative to the NLD. Years of repression left the NLD fragmented and unable to threaten the regime.³⁹ During the "Saffron Revolution" in August and September 2007, tens of thousands of citizens demonstrated against the regime's sudden removal of fuel subsidies in the most significant protests since the 1990 elections. Yet, the protests occurred *after* the National Convention had completed its work and did not seem to accelerate the pace of reform.⁴⁰ The junta responded with initial restraint but then quickly suppressed the protests within three days.⁴¹

Third, the junta dramatically strengthened its power over ethnic militias. Purchases of Chinese military hardware and the expansion of military personnel from 180,000 in 1988 to nearly 400,000 by the mid-1990s boosted coercive capabilities and enabled a series of successful offensives.⁴² The regime also pursued ceasefires with several ethnic militias, allowing them to keep their territory and weapons while offering them food, development aid, and joint ventures in resource extraction. Elites engaged in criminal enterprises from drug cultivation to smuggling could launder money by

³⁶ Kyaw Yin Hlaing, "Setting the Rules for Survival: Why the Burmese Military Regime Survives in an Age of Democratization," *Pacific Review* 22, no. 3 (2009).

³⁷ Tin Maung Maung Than, "Burma/Myanmar in 2001: A Year of Waiting," *Asian Survey* 42, no. 1 (2002): 116–117.

³⁸ Win Min, "Looking Inside the Burmese Military," *Asian Survey* 48, no. 6 (2008): 1026–1034.

³⁹ Būnte, "Burma's Transition to 'Disciplined' Democracy," 21–22.

⁴⁰ Lee Jones, *Societies Under Siege: Exploring How International Economic Sanctions (Do Not) Work* (Oxford: Oxford University Press, 2015), 122.

⁴¹ United Nations Human Rights Council Report A/HRC/6/14, "Report of the Special Rapporteur on the Situation of Human Rights in Myanmar," 7 December 2007, 7–10.

⁴² Mary P. Callahan, "Of Kyay-Zu and Kyet-Zu: The Military in 2006," in *Myanmar: The State, Community and the Environment*, eds. Monique Skidmore and Trevor Wilson (Canberra: Asia Pacific Press, 2007), 36.

investing in state-owned enterprises after paying a 25 percent tax to the government.⁴³ Though only partly successful, this allowed the regime to concentrate on the most intransigent militia groups while depriving them of allies. By 2007, only three major ethnic militias—the Karen National Union, the Shan State Army-South, and the Karenni National Progressive Party—along with seven smaller groups, continued to fight against the regime, down from over fifteen in early 1989, when the first ceasefires were signed.⁴⁴

Fourth, despite pervasive corruption, deteriorating infrastructure, and the damaging effects of sanctions, economic conditions did not appear to cause the SLORC/SPDC to fear regime change. Growing trade with China, Thailand, India, and Singapore mitigated the effects of international sanctions.⁴⁵ China and Thailand provided Myanmar with the lion's share of its foreign direct investment. Between April 1989 and July 2011, Thailand won approval to invest US\$10.37 billion in Myanmar (29.4 percent of total approved FDI). China won approval to invest US\$9.6 billion (27.2 percent of total approved FDI).⁴⁶ Additionally, the SLORC/SPDC maintained control over capital-intensive and tradable industries like natural gas, petroleum, gemstones, fisheries, and hardwoods, hindering the rise of an independent commercial class and fostering cronyism.⁴⁷ International sanctions limited foreign investment, but this indirectly amplified the junta's ability to wield political power via its control over capital.⁴⁸

While sudden regime change may not have topped the junta's worries during the roadmap's first stages, it is clear that Myanmar's leaders deeply considered their post-exit fates. Junta leaders annulled the 1990 election partly because they feared that an NLD government might try them for crimes committed during their tenure.⁴⁹ The 2008 Constitution contains provisions to guarantee the military's privileges and avoid prosecution.⁵⁰ Constitutional amendments require approval by over 75 percent of both

⁴³ Jones, "Explaining Myanmar's Regime Transition," 13–14.

⁴⁴ Zaw Oo and Win Min, *Assessing Burma's Ceasefire Accords* (Washington, DC: East-West Center Washington, 2007), 11–13. For a complete list of armed ethnic groups, see <http://mmpeacemonitor.org/stakeholders/armed-ethnic-groups>.

⁴⁵ Benno Ferrarini, *Myanmar's Trade and Its Potential* (Manila: Asian Development Bank, 2013), 5.

⁴⁶ Jared Bissinger, "Foreign Investment in Myanmar: A Resource Boom but a Development Bust?" *Contemporary Southeast Asia* 34, no. 1 (2012): 34–37. Figures exclude Chinese investments funnelled through tax havens such as the British Cayman Islands and Hong Kong, as well as large amounts of informal investment.

⁴⁷ Jalal Alamgir, "Myanmar's Foreign Trade and Its Political Consequences," *Asian Survey* 48, no. 6 (2008): 991–992; Jones, *Societies Under Siege*, 119–121.

⁴⁸ Jones, *Societies Under Siege*, 110–111.

⁴⁹ Interview with Myanmar diplomat, Yangon, November 2015; Tonkin, "The 1990 Elections," 42.

⁵⁰ "All policy guidelines, laws, rules, regulations, notifications and declarations" made by the SLORC/SPDC would devolve to the new government and "[n]o proceeding shall be instituted against the said Councils or any member thereof or any member of the Government, in respect of any act done in the execution of their respective duties." Constitution of the Republic of the Union of Myanmar (2008), Art. 445.

parliamentary houses, but since the Tatmadaw nominates 25 percent of each house's representatives, it can block constitutional changes that might harm its interests.⁵¹ The construction of the new capital city of Naypyidaw deep within Myanmar's interior can be seen as a means of protecting the regime from both external attack and internal uprisings. Since the military seemed to be getting stronger, not weaker, relative to such threats, fears of post-exit punishment cannot alone explain the strategic decision to pursue transformative policies.

ASEAN Socialization and the Strategic Decision to Reform

To what extent was Myanmar's strategic decision motivated by its international reputational concerns and socialization into ASEAN's norms? Pariah status can limit access to international trade and investment, security partners, international institutions, prestige, and influence. Moreover, pariah status can engender nationalist reactions of shame and embarrassment, resentment toward states and non-state actors that enforce pariah status, and cognitive dissonance between national pride and a lack of acceptance by the international community.⁵² By this logic, leaders will seek to remove pariah status not only to regain the tangible benefits of being in "good standing," but also to reconcile their international status with their self-image.⁵³

Myanmar's leaders recognized that their country, once one of Southeast Asia's most developed countries, had become one of its poorest. Burma's designation by the UN as a Least Developed Country in December 1987—which the leadership had lobbied for without the public's knowledge—was regarded by Burmese people as a national humiliation and contributed to the pro-democracy protests in 1988.⁵⁴ Myanmar's 1997 admission to ASEAN afforded the junta greater external legitimacy, improved communication with its Southeast Asian neighbours, and provided reputational incentives to amend its political behaviour. ASEAN's norms of non-interference in

⁵¹ Constitution, Art. 109, 141, 436. "Discipline-Flourishing Democracy" resembles Przeworski's "democracy with guarantees." See Adam Przeworski, *Democracy and the Market: Political and Economic Reforms in Eastern Europe* (Cambridge: Cambridge University Press, 1991), 53. Saxonberg argues that such guarantees are not inevitable but instead contingent upon the strength of the previous authoritarian regime. See Steven Saxonberg, *Transitions and Non-Transitions from Communism: Regime Survival in China, Cuba, North Korea, and Vietnam* (Cambridge: Cambridge University Press, 2013), 26n45.

⁵² Martha Finnemore and Kathryn Sikkink, "International Norm Dynamics and Political Change," *International Organization* 54, no. 4 (1998): 904.

⁵³ Deborah Welch Larson and Alexei Shevchenko, "Status Seekers: Chinese and Russian Responses to U.S. Primacy," *International Security* 34, no. 4 (2010): 68–76.

⁵⁴ Robert H. Taylor, "Stifling Change: The Army Remains in Command," in *Burma: Political Economy Under Military Rule*, ed. Robert H. Taylor (London: C. Hurst & Co., 2001), 7; Moksha Yitri, "The Crisis in Burma: Back from the Heart of Darkness?" *Asian Survey* 29, no. 6 (1989): 544.

member states' domestic affairs offered Myanmar's leaders some assurance that they would not be subject to excessive diplomatic pressure. Though ASEAN elites worried that admitting Myanmar despite its conspicuous human rights violations risked international criticism of ASEAN, they ultimately did so in the interests of expanding the ASEAN community to all of the Indochinese states and tapping Myanmar's economic potential.⁵⁵

Interviewees in Yangon and Naypyidaw were nearly unanimous in stating that ASEAN did not play a significant role in motivating the strategic decision to reform. A former senior diplomat said that joining ASEAN was a milestone for Myanmar, which had been seeking to reduce its international isolation since the early 1990s. However, he insisted that while ASEAN could assist Myanmar's government, it had almost no ability to affect the military leaders' thinking. "China," he said, "was more important to us because it was a close neighbor and [could] make trouble."⁵⁶ A Burmese academic who had worked with Myanmar's government agreed that ASEAN provided the military government with support and international recognition, but that political coordination between Myanmar and ASEAN was limited.⁵⁷

Under ASEAN's "constructive engagement" between 1990 and 1997, businesses boosted investment in Myanmar while ASEAN leaders attempted to use quiet diplomacy to foster political liberalization. Thai Foreign Minister Surin Pitsuwan's 1998 proposal for "flexible engagement," which would have allowed open discussion in ASEAN of domestic issues with regional implications, was rejected by other member states as potentially dangerous to ASEAN unity.⁵⁸ Myanmar also proved unresponsive to "enhanced interaction," whereby ASEAN member states could individually comment on Myanmar's politics while refraining from collective positions under the ASEAN banner. Following the May 2003 Depayin Incident and Aung San Suu Kyi's incarceration, and facing growing American and European criticism of ASEAN's failure to encourage Myanmar to reform, ASEAN leaders openly called for Aung San Suu Kyi's release and expressed support for Tan Sri Razali Ismail's mission as UN special envoy.⁵⁹

ASEAN pressure on Myanmar appeared to yield some results when the Thai-proposed five-step "roadmap" toward democratization at the July 2003 Asia-Europe Meeting was followed one month later by Myanmar's own

⁵⁵ Kay Moller, "Cambodia and Burma: The ASEAN Way Ends Here," *Asian Survey* 38, no. 12 (1998): 1090–1091.

⁵⁶ Interview with former senior Burmese diplomat, Yangon, November 2015.

⁵⁷ Interview with Burmese academic, Yangon, November 2015.

⁵⁸ Jürgen Haacke, "The Concept of Flexible Engagement and the Practice of Enhanced Interaction: Intramural Challenges to the 'ASEAN Way'," *Pacific Review* 12, no. 4 (1999): 592–598.

⁵⁹ ASEAN, Joint Communiqué of the 36th ASEAN Ministerial Meeting, 17 June 2003. <http://cil.nus.edu.sg/rp/pdf/2003%20Joint%20Communique%20of%20the%2036th%20ASEAN%20Ministerial%20Meeting-pdf.pdf>, par. 18.

“Roadmap to Discipline-Flourishing Democracy.”⁶⁰ However, Myanmar’s plan did not include Aung San Suu Kyi’s release or a timetable for reform as called for by ASEAN leaders. Pressure thus grew to deny Myanmar its inaugural turn as ASEAN chair in 2006, especially since the US and European countries threatened to boycott ASEAN meetings if hosted by Myanmar. Myanmar ultimately chose to skip its turn as chair to focus on its “ongoing national reconciliation and democratization process.”⁶¹

Following the SPDC’s crackdown on the 2007 “Saffron Revolution,” ASEAN foreign ministers issued an uncharacteristically harsh statement through the chair, Singaporean Foreign Minister George Yeo. The statement decried the bloodshed, “demanded” that Myanmar “immediately desist” from violently suppressing demonstrators, urged Myanmar to release all political detainees, warned that Myanmar was endangering ASEAN’s reputation and credibility, and asked Myanmar to grant full access to Ibrahim Gambari, the UN secretary-general’s special envoy.⁶² When Gambari visited Myanmar, he was allowed to meet Than Shwe, Aung San Suu Kyi, and Buddhist monks, but failed to win concessions regarding political prisoners.

ASEAN’s persuasive power was more visible following Cyclone Nargis in May 2008. Myanmar had initially refused to admit foreign relief personnel or supply ships. ASEAN pressure led to the creation of the Humanitarian Task Force for the Victims of Cyclone Nargis and a Tripartite Core Group comprising representatives from Myanmar, ASEAN, and the UN to coordinate day-to-day humanitarian operations.⁶³ ASEAN secured the Myanmar government’s cooperation with a logistical network for airlifting foreign relief goods from Bangkok to affected areas in Myanmar.⁶⁴ It also helped convene an International Pledging Conference in Yangon with representatives from 51 countries, 24 UN agencies, international lending agencies, and NGOs. Ultimately, a significant international humanitarian presence operated in the country alongside government and other local aid providers, delivering 18,163 metric tons of food, daily access to treated water for 250,000 people, and emergency shelter assistance to 195,000 households.⁶⁵

⁶⁰ Larry Jagan, “Seeking a Way out for Rangoon,” *Bangkok Post*, 9 August 2003. Cited in Jürgen Haacke, “Enhanced Interaction’ with Myanmar and the Project of a Security Community,” *Contemporary Southeast Asia* 27, no. 2 (2005): 193.

⁶¹ ASEAN, “Statement by the ASEAN Foreign Ministers,” 26 July 2005. <http://www.asean.org/statement-by-the-asean-foreign-ministers-vientiane/>.

⁶² ASEAN, “Statement by ASEAN Chair,” 27 September 2007. http://www.mfa.gov.sg/content/mfa/overseasmission/washington/newsroom/press_statements/2007/200709/press_200709_03.html.

⁶³ Jürgen Haacke, “ASEAN and Political Change in Myanmar: Towards a Regional Initiative,” *Contemporary Southeast Asia* 30, no. 3 (2008): 371.

⁶⁴ Julian Santiago Amador III, “Community Building at the Time of Nargis: The ASEAN Response,” *Journal of Current Southeast Asian Affairs* 28, no. 4 (2009): 9.

⁶⁵ Tripartite Core Group, “Post-Nargis Joint Assessment,” (2008), 37, 47.

ASEAN thus convinced Myanmar's leaders to permit international assistance for the Burmese people and kept Naypyidaw engaged in regional fora, but the military junta was far less amenable to pursuing domestic reforms in a manner or on a schedule advocated by ASEAN leaders. Defying ASEAN exhortations, the junta employed political repression, harshly treated the Rohingya people in Rakhine State, and insisted on holding the 2008 constitutional referendum soon after Nargis. While ASEAN had some influence on Myanmar's reduction in norm-violating behaviour, reputational concerns and international socialization do not sufficiently explain Myanmar's strategic decision to reform.

The China Factor in Myanmar's Strategic Decision to Reform

Pariah states have a limited selection of potential diplomatic partners. While a militarily or economically powerful state can cope with pariah status through self-reliance or improve its reputation by contributing to international public goods, weaker pariah states lack sufficient resources. Consequently, they have incentives to cultivate relations with more powerful states willing to offer security and economic benefits despite their pariah status. Morrow notes that in asymmetric alliances, weaker states typically sacrifice autonomy for security by, for instance, offering stronger states military access, natural resources, intelligence, or favourable commercial contracts.⁶⁶ Such trade-offs need not be limited to formal military alliances but can also include various forms of alignment.⁶⁷

The weaker a pariah state, the more it may rely on partners for security, but because pariah states have few choices for partners, they have less bargaining power than non-pariah states in similar positions.⁶⁸ If dissatisfied with current partners, pariah states can seek alternative partners willing to provide similar security benefits at lower cost to their autonomy. Prospective partners must weigh the anticipated benefits of cooperation against the potential costs of aligning with a pariah. A pariah state can improve its attractiveness and lower potential partners' audience costs by implementing transformative policies. However, this does not necessarily mean that

⁶⁶ James D. Morrow, "Alliances and Asymmetry: An Alternative to the Capability Aggregation Model of Alliances," *American Journal of Political Science* 35, no. 4 (1991): 908–909, 913–914.

⁶⁷ Thomas S. Wilkins, "'Alignment', not 'Alliance' - The Shifting Paradigm of International Security Cooperation," *Review of International Studies* 38, no. 1 (2012); Christopher Carney, "International Patron-Client Relations: A Conceptual Framework," *Studies in Comparative International Development* 24, no. 2 (1989): 44–48.

⁶⁸ A pariah state can increase its bargaining power and retain more autonomy if it can credibly demonstrate that its insecurity would threaten the stronger state—for instance, by sending refugees across the border or creating a dangerous power vacuum. See, for instance, Scott Snyder, "North Korea's Challenge of Regime Survival: Internal Problems and Implications for the Future," *Pacific Affairs* 73, no. 4 (2000): 523.

the pariah state will discard existing partnerships, as hedging relations to maximize autonomy is a common strategy.⁶⁹

To what extent was Myanmar's strategic decision influenced by its relations with China? A growing literature has examined Myanmar's heavy reliance on China under the SLORC/SPDC but disagrees over its importance in shaping reforms. Some have argued that Myanmar's leaders worried about overdependence on China and initiated reforms in order to dismantle sanctions and attract new diplomatic partners.⁷⁰ Others have ascribed greater weight to internal factors. Bünthe emphasizes military leaders' desire to consolidate political control and shield themselves from prosecution for human rights violations by building formal institutions.⁷¹ Taylor, along with Croissant and Kamerling, rejects the China factor as a decisive motive for Myanmar's reforms, arguing that Myanmar has consistently maintained diplomatic and trade relations with other states.⁷² Jones likewise maintains that China's influence over Myanmar has remained relatively constant and thus cannot explain "abrupt liberalization."⁷³ Chiung-Chiu Huang argues that Myanmar and China both exercised self-restraint so as to maintain stable relations and that a post-reform Myanmar will not simply side with democratic partners.⁷⁴

Our research builds on this literature but finds that Myanmar's dependence on China *was* crucial to the strategic decision to pursue transformative policies. China did not monopolize Myanmar's foreign and economic relations, as Naypyidaw at times diverged from Beijing on important issues detailed below. Nevertheless, Myanmar's leaders were deeply concerned about China's growing economic and political influence.⁷⁵

Since the early 1950s, leaders in both countries have described their relations as *paukphaw* (kinfolk) relations, but bilateral ties are in reality far less sentimental. During the Cultural Revolution, Mao Zedong supported the outlawed Burmese Communist Party (BCP) in a bid to propagate socialism among ethnic Chinese in Burma. This led to major anti-Chinese riots in

⁶⁹ Evelyn Goh, "Great Powers and Hierarchical Order in Southeast Asia," *International Security* 32, no. 3 (2007).

⁷⁰ Antonio Fiori and Andrea Passeri, "Hedging in Search of a New Age of Non-Alignment: Myanmar between China and the USA," *Pacific Review* 28, no. 5 (2015): 694–695; Myoe, "Myanmar's China Policy," 50–51; Yun Sun, "China and the Changing Myanmar," *Journal of Current Southeast Asian Affairs* 31, no. 4 (2012): 57.

⁷¹ Marco Bünthe, "Burma's Transition to Quasi-Military Rule: From Rulers to Guardians?" *Armed Forces and Society* 40, no. 4 (2013): 15–19.

⁷² Croissant and Kamerling, "Why Do Military Regimes Institutionalize?" 121–122; Robert H. Taylor, "Myanmar: From Army Rule to Constitutional Rule?" *Asian Affairs* 43, no. 11 (2013): 234.

⁷³ Jones, "Explaining Myanmar's Regime Transition," 2.

⁷⁴ Chiung-Chiu Huang, "Balance of Relationship: The Essence of Myanmar's China Policy," *Pacific Review* 28, no. 2 (2015).

⁷⁵ This is not to dismiss the cooperative elements of China-Myanmar relations. For further discussion of bilateral issues, see Jonathan T. Chow and Leif-Eric Easley, "Upgrading Myanmar-China Relations to International Standards," *Asian Issue Brief* 2015–21 (2015): 1–25.

Rangoon in 1967, followed by massive anti-Burma demonstrations in Beijing and the downgrading of diplomatic ties.⁷⁶ After the Cultural Revolution ended, Beijing adopted a more pragmatic foreign policy. Bilateral relations improved and were renormalized in 1971, although Beijing's continued support for the BCP irritated Rangoon, which sought to maintain a strictly neutral position among Beijing, Washington, and Moscow. Following Sino-US normalization in 1979, Burma's strategic importance to China declined and throughout the 1980s, the relationship remained relatively uneventful.⁷⁷

From 1988 onward, China and Myanmar cultivated a strategic relationship as Myanmar's diplomatic options narrowed under the SLORC/SPDC and China incurred international sanctions for violently suppressing demonstrators in Tiananmen Square in 1989. China was the first country to officially recognize Myanmar's new government in 1988, ceased its support for the BCP in 1990, and helped block a 1990 UN General Assembly resolution criticizing Myanmar's human rights record. In exchange, China gained raw materials to fuel its economic growth and a potential strategic corridor to the Indian Ocean to project power and help ensure uninterrupted access to overseas oil.⁷⁸ Meanwhile, Myanmar's leaders saw China as a vital market, diplomatic supporter, and source of development assistance.

Sino-Myanmar trade rapidly expanded from 1988, facilitated by the October opening of the Myanmar-Yunnan border. Recorded bilateral merchandise trade reached US\$767 million in 1995 and expanded to US\$6.97 billion in 2012.⁷⁹ Between 1988 and 2010, China accounted for about one-fifth of Myanmar's total official trade, making it Myanmar's largest trading partner.⁸⁰ Such figures exclude the sizable border trade in narcotics, arms, and other contraband.⁸¹ Chinese enterprises established a major presence in Myanmar, particularly in construction and extractive industries such as logging, mining, and energy.

Interviewees in Myanmar stressed that this close relationship was born out of necessity and expressed dissatisfaction with its asymmetry. Concurring with many other informants, a MOFA official maintained that international

⁷⁶ Hongwei Fan, "The 1967 Anti-Chinese Riots in Burma and Sino-Burmese Relations," *Journal of Southeast Asian Studies* 43, no. 2 (2012): 238–248.

⁷⁷ David I. Steinberg and Hongwei Fan, *Modern China-Myanmar Relations: Dilemmas of Mutual Dependence* (Copenhagen: NIAS Press, 2012), 131–151.

⁷⁸ James Reilly, "China and Japan in Myanmar: Aid, Natural Resources and Influence," *Asian Studies Review* 37, no. 2 (2013): 151.

⁷⁹ United Nations COMTRADE data, <http://comtrade.un.org>. Accessed 15 December 2015. Based on official Chinese data.

⁸⁰ In official statistics, Thailand and Singapore followed closely behind. United Nations COMTRADE data. <http://comtrade.un.org>. Accessed 15 December 2015. Based on official Chinese data.

⁸¹ Alamgir estimates the black market trade at 105 percent of official trade in 1990, 70 percent in the second half of the 1990s, and 50 percent in 2005. Jalal Alamgir, "Myanmar/Burma: International Trade and Domestic Power under an 'Isolationist Identity,'" in *Burma or Myanmar: The Struggle for National Identity*, ed. Lowell Dittmer (New Jersey: World Scientific, 2010), 239.

sanctions left Myanmar no choice but to deepen relations with China, as there was no way to “do business with higher quality partners from around the world” that would better contribute to Myanmar’s development.⁸² A Burmese policy analyst argued that sanctions drove Myanmar to boost cooperation with North Korea by trading rice for weapons, corroborating accounts that Tatmadaw officers grumbled about the quality of Chinese armaments and consequently began purchasing weapons from Russia, North Korea, and Ukraine in the mid-1990s.⁸³

Nearly all interviewees complained about the nature of bilateral economic relations. A former Burmese diplomat explained that well before the Thein Sein government came to power, Myanmar was concerned about the extent of Chinese investment. “Chinese investment projects ... brought in their own labor, including unskilled labor and, it was rumored, even prisoners,” diminishing locals’ employment prospects.⁸⁴ Chinese extractive and infrastructure projects, which were frequently joint ventures with companies owned by the Tatmadaw or SPDC cronies, often earned reputations for unsustainable practices and disregard for local communities.⁸⁵ For example, construction of the Myitsone Dam in Kachin State by the state-owned China Power Investment Corporation and the Burmese conglomerate Asia World forcibly displaced some 2,600 villagers from their homes. Reportedly, 90 percent of the electricity to be generated was destined for Yunnan Province.⁸⁶ In northeastern Shan State, numerous ethnic Wa households lost their land to government confiscation for conversion to industrial rubber plantations, mostly for Chinese firms.⁸⁷

Another source of bilateral friction was China’s longstanding relations with ethnic militias—particularly the Wa and the Kokang, which have significant populations on both sides of the border between Shan State and China’s Yunnan Province. Such ties complicate Beijing’s calls for stability

⁸² Interview with official from Myanmar MOFA, Naypyidaw, November 2015. Absent sanctions, the World Bank might have financed large-scale infrastructure projects in Myanmar; see Jones, *Societies Under Siege*, 114.

⁸³ Interview with Burmese policy researcher, Yangon, June 2014. Andrew Selth, “Burma’s China Connection and the Indian Ocean Region,” Working Paper no. 377 (Canberra: Australian National University Strategic and Defense Studies Centre, 2003), 11; SIPRI, SIPRI Arms Transfer Database. <http://www.sipri.org/databases/armstransfers/armstransfers>. Accessed 16 January 2016.

⁸⁴ Interview with former Burmese diplomat, Yangon, November 2015.

⁸⁵ Global Witness, “Jade: Myanmar’s Big State Secret” (London: Global Witness, 2015); Su-Ann Oh and Philip Andrews-Speed, *Trends in Southeast Asia: Chinese Investment and Myanmar’s Shifting Political Landscape* (Singapore: ISEAS Publishing, 2015), 26, 37, 42.

⁸⁶ International Rivers, “The Myitsone Dam on the Irrawaddy River: A Briefing,” 27 September 2011, <https://www.internationalrivers.org/resources/the-myitsone-dam-on-the-irrawaddy-river-a-briefing-3931>; Seamus Martov, “Myitsone Dam Project on Hold, but Far from Dead,” *The Irrawaddy*, 6 November 2013, <http://www.irrawaddy.com/burma/myitsone-dam-project-hold-far-dead.html>.

⁸⁷ Kevin Woods, “Ceasefire Capitalism: Military-Private Partnerships, Resource Concessions and Military State-Building in the Burma-China Borderlands,” *Journal of Peasant Studies* 38, no. 4 (2011): 765–766.

and national reconciliation in Myanmar because some Chinese actors opposed the Tatmadaw's efforts to neutralize the militias. This was underscored by the August 2009 crackdown by Tatmadaw troops on the Myanmar National Democratic Alliance Army (MNDAA), the main Kokang militia. Over 30,000 Chinese and Kokang refugees, as well as deadly violence, spilled across the border into Yunnan.⁸⁸ Beijing rebuked Naypyidaw, urging it to "maintain stability in the China-Myanmar border region" and "protect the safety and legal rights of Chinese citizens in Myanmar."⁸⁹

Burmese interviewees expressed deep concern about China's relations with ethnic militias. One interviewee said it was "common knowledge" that China was providing arms to the Kachin, Wa, and Shan militias.⁹⁰ Observers have claimed that China unofficially supplied weapons and training to the largest of the ethnic militias, the United Wa State Army (UWSA), noting the UWSA's unusually sophisticated arsenal, including heavy machine guns, artillery, and Chinese-made surface-to-air missiles.⁹¹ Some Chinese observers have even suggested that Beijing could use the UWSA and other ethnic militias as leverage to ensure that Myanmar continues to protect Chinese interests.⁹² A former Burmese diplomat said that the military government believed it had erred in 1989 when Khin Nyunt brokered a ceasefire granting the Wa extensive autonomy, making it "practically a foreign country." China, he said, used the Wa to make "trouble" in Myanmar when it suited their interests. Consequently, he added, Myanmar's government adopted a much harder line toward the Kokang, which sought similar privileges. "China will not allow us to take control of the Wa again. With the Kokang we are taking full control. We don't want it to become another Wa."⁹³ He warned that excessively close relations with China could lead Myanmar to become a "vassal state ... another Tibet."⁹⁴

A near consensus emerged in our interviews that Burmese leaders' concerns about economic reliance on China and Chinese political influence in the country reached new heights ahead of the strategic decision to reform

⁸⁸ *BBC Monitoring Asia Pacific*, "Official Says Two Chinese Border Inhabitants Killed During Burma Conflict," 31 August 2009.

⁸⁹ Tim Johnston, "China Urges Burma to Bridle Ethnic Militia Uprising at Border," *Washington Post*, 29 August 2009.

⁹⁰ Interview with former political prisoner and pro-democracy activist, Yangon, November 2015.

⁹¹ International Crisis Group, "China's Myanmar Dilemma," *Asia Report* no. 177, 14 September 2009, [http://www.crisisgroup.org/~media/Files/asia/north-east-asia/177_chinas_myanmar_dilemma.pdf](http://www.crisisgroup.org/~/media/Files/asia/north-east-asia/177_chinas_myanmar_dilemma.pdf), 11; A. Webb-Vidal and A. Davies, "Lords of War: Running the Arms Trafficking Industry," *Jane's Intelligence Review* 20, no. 5 (May 2008): 14–17 (cited in Jürgen Haacke, "China's Role in the Pursuit of Security by Myanmar's State Peace and Development Council: Boon and Bane?" *Pacific Review* 23, no. 1 [2010]: 127).

⁹² Yun Sun, "Has China Lost Myanmar?," *Foreign Policy*, 15 January 2013, http://www.foreignpolicy.com/articles/2013/01/15/has_china_lost_myanmar.

⁹³ Interview with former Burmese diplomat, Yangon, November 2015.

⁹⁴ Interview with former Burmese diplomat, Yangon, November 2015.

in 2010.⁹⁵ Meanwhile, the possibility of improved relations with the US presented an opportunity to ameliorate sanctions and diversify Myanmar's diplomatic portfolio. The Obama Administration's February 2009 announcement that it would review its policy toward Myanmar offered a window for détente, while the US "pivot/rebalance" to Asia policy made this more credible.⁹⁶ Once the November 2010 elections initiated a transition to a civilian government that would respect the Tatmadaw's interests, Myanmar's leaders could release Aung San Suu Kyi and launch other reforms signalling their intention to abandon past norm violations and seek expanded international relations. Aung San Suu Kyi's endorsement of the reforms was especially important to the US and its allies as it gave them the political cover they needed to engage Myanmar's government.

It is instructive to observe where Myanmar's new civilian government immediately focused its attention in 2011. By suspending construction of the Myitsone Dam, it demonstrated a willingness to respond to domestic calls to reduce overreliance on China. By granting amnesty to thousands of prisoners (including hundreds of political prisoners),⁹⁷ legalizing labour unions, and allowing Aung San Suu Kyi and the NLD to run for parliament, it attracted international engagement by new partners. Myanmar was subsequently invited to assume its turn as ASEAN chair, US Secretary of State Hillary Clinton made an official visit in December 2011, and following the NLD's victory in the April 2012 parliamentary by-elections, the EU and the US eased sanctions. Myanmar has since hosted numerous dignitaries, including two visits by US President Barack Obama, and is welcoming ever more international investment, technology, and capacity-building assistance. China, for its part, announced new corporate social responsibility guidelines for Chinese firms operating in Myanmar in July 2013, aimed at ensuring benefits for local communities.⁹⁸ All of these developments are consistent with a strategic decision by Myanmar's leaders to reform for the sake of diversifying foreign and economic relations.

⁹⁵ Bertil Lintner describes a classified Defense Services Academy study arguing that Myanmar's overreliance on China constituted a "national emergency" threatening its independence, and recommending democratization to facilitate US-Myanmar diplomatic normalization. Lintner has not yet made the document available for independent authentication. Bertil Lintner, "A Wolf in Sheep's Clothing: Making Sense of Myanmar's Political Reforms," *Global Asia* 9, no. 3 (2014): 74–82.

⁹⁶ Based on interviews with US officials, the prospect of improved US-Myanmar relations was a permissive but not motivating condition for the strategic decision by Myanmar's leaders. Both sides had been exploring options for some time, and Burmese officials apparently confided their concerns about China.

⁹⁷ Amnesty International, "Myanmar: Political Prisoner Release 'Major Step' but Gates Must Open 'Even Wider'," 13 January 2012, <https://www.amnesty.org/en/latest/news/2012/01/myanmar-political-prisoner-release/>.

⁹⁸ See, for instance, Myanmar Wanbao, "Community and Social Development Programme 2013," http://www.myanmarwanbao.com.mm/images/stories/wanbao-pdfs/CSD_BOOK.pdf. Accessed 21 December 2015.

Conclusion

While further analysis of Myanmar's strategic decision awaits access to top leaders and their documents, it is useful to weigh existing explanations for the country's reform and opening as many academics and policy makers seek to understand Myanmar's transition in real-time. The present study suggests that while the SPDC wished to protect its power, concerns about regime change were not the main driver of reform. The leadership managed to tighten its control over internal factions, weaken ethnic minority militias, and contain the democratic opposition, all as the military's capabilities grew stronger.

Although the junta resented Myanmar's pariah status and sought to mitigate it through ASEAN membership, ASEAN's overtures largely failed to persuade Myanmar to improve its human rights practices, including the treatment of Muslim minorities such as the Rohingya. Relinquishing the ASEAN chair in 2006 indicates that Myanmar's leaders recognized the value of relations with Southeast Asian neighbours. However, the crackdown on the 2007 "Saffron Revolution" and insistence on holding the constitutional referendum in 2008 despite the devastation of Cyclone Nargis demonstrate that ASEAN's ability to shape Myanmar's domestic policies was limited.

Myanmar's increasing dependence on China up to 2010 offers the most compelling explanation for its strategic decision to pursue reform and opening. Not only did concerns about Beijing's influence directly affect the strategic decision, the China factor was also in some ways analytically prior to the regime security and ASEAN socialization arguments. The SLORC/SPDC considered it necessary to deal with China's political-economic penetration into Myanmar and related anti-China sentiments for the sake of domestic stability. Myanmar's leaders also valued ASEAN's role in building regional ties for purposes of hedging relations with China. Although Beijing helped blunt the effects of international sanctions on Myanmar and shielded it from criticism over its human rights record, the price of that support was such extensive Chinese access to Myanmar's economy and politics that Myanmar's leaders perceived a threat to national sovereignty.

Chinese exploitation of Myanmar's natural resources bred resentment among ethnic minorities at a time when the SPDC was pursuing ceasefires with many of those groups. The pervasive belief that China was assisting militias like the UWSA and the MNDA reinforced official concerns about Myanmar's ability to safeguard its sovereignty. By reducing reliance on China, Myanmar's leaders could advance both domestic stability and international security: the former by gaining public approval, boosting national pride, and renewing negotiations with ethnic minority groups; the latter by diversifying Myanmar's diplomatic and trade partners and reinforcing its independent foreign policy. Relief from international sanctions was an important expected benefit of reform, but the regime's

strategic decision was precipitated by the geopolitical realities of a rising China that was extending its reach deeper into Myanmar than its leaders could tolerate.

Persuading pariah states is difficult; such regimes are intensely focused on maintaining their power. However, reliance on a more powerful neighbour can create unacceptable autonomy costs, motivating reforms for the sake of strategic realignment. This finding calls for further research on pariah states to investigate whether other cases of reliance, such as that of North Korea on China, follow a similar pattern. Finally, the strength of the geopolitical explanation suggests that Myanmar's reforms are unlikely to proceed as far or as fast as the NLD and international supporters of democratization would prefer. Once the military leadership sees that reliance on China has been reduced to a more acceptable level, their enthusiasm for reform may wane. Myanmar's new partners should thus remain engaged and vigilant if they wish Myanmar to remain a successful case of political reform and opening.

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