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ince 1988, a divided international community has taken three different approaches to Burma—all supposedly intended to improve the abysmal human rights situation in the country and uplift the welfare of the Burmese people:

1. Western countries, to various degrees, have shunned the military regime and imposed a series of escalating economic and other sanctions, mainly aimed at forcing the regime to relinquish power to a democratic government;
2. Burma’s neighbors, by contrast, have moved to normalize relations with the former hermit state, arguing that economic cooperation provides the best path to a more stable, prosperous, and ultimately, freer and rights-abiding country;
3. International organizations have mostly taken a middle path, working with the military government (as well as broader groups in society) for the explicit purpose of advancing the country’s political, economic, and human development.

None of these approaches have produced major successes, in part because of the enormity of the task at hand, in part because they have tended to work at cross-purposes with each other. Yet, they have all had

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important human rights and welfare consequences, positive as well as negative, many of which remain largely unrecognized in the international policy debates.

My primary task in this essay is to evaluate principled engagement, specifically the role of foreign aid. However, in order to do that properly, we need first to understand the alternatives to principled engagement. No external action or policy, short of military occupation, is likely to have major direct impact on human rights in Burma. The pertinent question for policymakers, therefore, is not so much “what works” but rather, “what works best.” Reviewing all three approaches also helps us identify important linkages and trade-offs among them.

SOME ANALYTICAL ISSUES

Before we proceed, some brief definitional and methodological clarifications are necessary. First, I understand human rights to include not only political and civil rights, personal integrity rights, but also socio-economic rights. This is in line with the International Bill of Human Rights, as well as with the realities on the ground in Burma where bad politics (repression) and bad economics (poverty) are interdependent, each being both the cause and effect of the other. Secondly, in assessing effectiveness, I consider not only (a) direct effects on human rights (outcomes), but also (b) the impact on the propensities and capabilities of domestic groups to protect, facilitate, or fight for those rights, and thus, on the prospects for longer-term progress (conditions), as well as (c) any synergies with other approaches (linkages). Importantly, we cannot just look at positive effects but also must pay attention to any negative effects on human rights in the target country, including counterproductive effects, collateral damage, and opportunity costs. Finally, each approach needs to be assessed on its own terms. While all three approaches purportedly work to promote human rights, they have different strategic objectives and ultimately, are based on different theories of how change is most likely to happen. As we shall see, much of the criticism of principled engagement is based on a failure to recognize this crucial point.
OSTRACISM

The West’s strategy of ostracism has been focused essentially on bringing about regime change. The underlying assumption is that external isolation will either compel the military rulers to relinquish political control or destabilize the regime, paving the way for democratic reforms and an overall improvement in the human rights situation, including peace and development.

Yet, 20 years of shunning and sanctions have left the Burmese military firmly entrenched in power, while the opposition has been further marginalized and reduced to a shadow of its former self, leaving western countries with no effective domestic partner in the push for regime change. Sanctions may have helped induce the military regime to cooperate in certain limited areas, such as opium eradication, prison conditions, and forced labor. However, in the two former cases, cooperation was ultimately undermined by the refusal of sanctioners preoccupied with democracy to respond in kind and thus, grasp the opportunity to consolidate and deepen the gains. Only in the case of forced labor, in which the threat of sanctions has been carefully calibrated to progress specifically on that issue, and complemented with robust principled engagement by the International Labor Organization (ILO) with the relevant Burmese authorities, have sustainable results been achieved.

Some believe further sanctions could make the difference. However, any talk of substantially stronger measures is unrealistic, given the resistance of Burma’s neighbors. In any case, it is unlikely that more external pressure would cause the regime to cave in. As numerous quantitative studies have shown, sanctions rarely succeed in eliciting major concessions, particularly when they are used against authoritarian regimes, and Burma is unlikely to be an exception. The Burmese military is highly resistant to change, bolstered by a firm belief in military supremacy, and faces no serious domestic challengers to its rule. Contrary to conventional wisdom, its extensive control of the economy makes it less—not more—vulnerable to economic pressure by allowing it to deflect any pain from opposition supporters to politically weak groups.

The main problem with ostracism, however, is not its inherent limitations but rather, its costs. Far from encouraging the military leaders to relinquish power, international interference in what the regime perceives
as Burma’s sovereign affairs has caused a nationalistic backlash,\(^3\) heightening the resistance to change, undercutting potential reformers, and further discrediting Burmese democracy groups which have come to be viewed as “fifth-columnists.” Indeed, the threat of foreign intervention has provoked further political repression and increased security spending to the direct detriment of human rights, while economic sanctions have become a scapegoat for the country’s underdevelopment, thus reducing the pressure for economic reforms. The irony is that western threats feed into the founding ideology of the military regime, which needs external enemies to justify its harsh rule and divert attention from its economic and other failures.

The curtailment of international trade, investment, and aid has also caused severe collateral damage, often hurting innocent bystanders. The cumulative effects of U.S. and European trade, financial sanctions, and consumer boycotts, for example, have significantly hampered growth in export sectors such as agriculture, fishery, and garments, as well as tourism, which are a crucial source of jobs and income for millions of impoverished families. The devastating impact of the 2003 U.S. import ban on the garment industry, which eliminated 75,000 jobs overnight,\(^4\) is perhaps the most obvious example, but is likely to be only the tip of the iceberg. While the generals and their cronies undoubtedly have lost more in absolute terms, personal consequences have been far worse for small-scale farmers, fishermen, and workers who have been denied vital livelihood opportunities with grave implications for the life and health of themselves and their families. Adding spite to injury, the Burmese people for the past 20 years have been denied the international assistance normally provided to the world’s most vulnerable, with Burma receiving only a few dollars in official development assistance per capita per year, less than any of the 55 poorest countries in the world.

Finally, the refusal by western countries to deal with Burma’s military government (and anyone seen to be associated with it, including ceasefire groups, government-organized nongovernmental organizations, and much of the private sector) has left important avenues unexplored for influencing the minds of the country’s elites and building institutional capacity within the state as well as in the wider society to undertake much-needed reforms. The steps taken by the current regime in the 1990s to end the long-standing civil war, revive the stagnating economy, and break Burma’s self-imposed international isolation presented particularly important opportunities to
engage and help improve the structural conditions for human rights. Yet, these were not only largely ignored, but at times, actively circumvented with proponents of ostracism insisting that any progress under the existing regime would simply lessen the pressure for more important changes (i.e. democracy). Alas, the result has been less on all fronts: less peace, less development, and less freedom.

The combination of limited benefits and substantial costs for the Burmese people, at the very least, raises serious questions about the alleged moral superiority of an approach that is often held up as “simply the right thing to do.”

ECONOMIC COOPERATION

The track record of regional (mainly commercial) engagement in modifying the behavior of the regime is no better than ostracism and the costs may be even higher. Although this is, by definition, a long-term strategy, there are no indications that it is working in the intended direction.

The theoretical rationale for economic cooperation is to support what is implicitly perceived as the organic evolution of states toward greater conformity with human rights standards as they grow wealthier. According to this argument, international trade and investment promote economic growth, thus accelerating a modernization process which gradually builds internal pressure for democracy and the rule of law, as well as improving socio-economic conditions for the general population. Taiwan and South Korea are often quoted as examples of this dynamic.

In the case of Burma, however, the military state’s stranglehold on key parts of the economy coupled with dysfunctional economic policies and the absence of appropriate mechanisms for redistributing national wealth has stymied growth and increased inequality. While partial market economic reforms coupled with increased foreign trade and investment have seen a small class of “new rich” emerge, many have close associations with the top generals and have little interest in—or too much to lose from—“rocking the boat” by pushing for further reform. The current pattern of Burma’s economic integration into the regional economy, mainly through the export of natural resources and import of cheap manufactured goods, is also not conducive to the country’s longer-term growth prospects.
Under these conditions, rather than promote political and economic development, international capital flows too often have simply enriched the leadership and regime supporters, reduced the pressure for economic reforms, and worsened corruption. Moreover, foreign direct investment has frequently been accompanied by environmental destruction and rampant human rights violations by companies (and their local partners), showing little accountability to local communities.

It should be noted that there are important differences among sectors. While natural resource extraction is controlled by the state and has few benefits for the broader economy or local communities, agriculture, fishery, manufacturing, and tourism have much stronger private sector participation and growth in these labor-intensive industries with substantial benefits for large numbers of ordinary people. Political instability and the weakness of the rule of law, including commercial law, however, place particular constraints on these latter sectors, which paradoxically, are also the hardest hit by western sanctions.

PRINCIPLED ENGAGEMENT

Principled engagement, which combines external pressure for change with active support for any positive elements, represents a “middle way” between ostracism and cooperation. The hallmark of this approach is direct engagement with those responsible for human rights as well as broader groups in society, in order to address concrete problems and improve the practical framework for human rights protection. While it relies largely on non-confrontational means, principled engagement involves pro-active efforts to identify shortcomings, improve policies and practices, and strengthen drivers of change.

This approach is theoretically attractive for several reasons. First, by directly addressing priority human rights problems, it has the potential to immediately alleviate the suffering of the Burmese people. Secondly, it is particularly well-suited to the structural challenges of promoting human rights, including the high complexity of this endeavor, the importance of securing local ownership of governance reforms (which otherwise may have little substance), and the need to reverse the legacy of decades of dysfunctional governance and build for the future. Finally, it presents
opportunities to enhance the benefits and lessen the costs of both western sanctions and regional trade and investment, building positive synergies between different approaches.

In practice, the impact has been weakened by the lack of support from both western and regional governments, which has left it largely in the hands of international organizations with limited leverage and resources. Although some form of principled engagement has occurred within five “streams” (political mediation, economic policy dialogue, aid programs, private educational activities, and socially-responsible businesses), it is only really the aid stream that has grown to any size, and even that remains rather feeble and overly short-term in focus. Moreover, the confrontational approach of the West, coupled with the lenient attitude of Burma’s neighbors, often seems to have conspired to undermine attempts by others to engage the military regime on human rights and related issues.

Nonetheless, the experience with principled engagement, so far, has been mainly positive and is indicative of the broader potential of this approach if it were pursued with greater coherence, comprehensiveness, and commitment. While headline initiatives, such as the UN Secretary General’s “good offices” mediation efforts and attempts by both the World Bank and the Japanese to engage the military government on macroeconomic reform, have failed to make a substantial impact—in part because of the constraints imposed on them by other agendas and approaches—the more “quiet” activities of foreign aid agencies on the ground have had significant results.

**FOREIGN AID**

Despite onerous restrictions by the Burmese government and donors alike, aid agencies have made substantial contributions to human rights and welfare over the past 20 years, as well as to the conditions for future progress, and at lower costs than critics often assume.

**Basic needs**

International humanitarian agencies delivering health information, medicine, water, sanitation, and other basic health-related services have helped hundreds of thousands of Burmese survive in good health (who otherwise
might have suffered unnecessary illnesses or death). In recent years, as more agencies have expanded their activities into more developmental areas such as microfinance, agricultural support, and education, they have also begun to affect and improve livelihood opportunities for some of the most vulnerable communities across the country. Although the sustainability of much of this work is questionable while the root causes of poverty remain, the benefits to individuals and households are real. Importantly, foreign aid projects increasingly involve substantive contacts with national and local authorities as well as close partnerships with Burmese NGOs which help build local capacity and improve sustainability.

Protection
According to community leaders, the mere presence of international organizations often helps to constrain the abusive behavior of local officials. In addition, many organizations intervene directly with local authorities on behalf of their beneficiaries. This is perhaps most evident in northern Rakhine state, where several agencies have been working under the umbrella of the Office of the United Nations High Commissioner for Refugees (UNHCR) to protect the rights of the Rohingya, and in eastern Shan state, where a similar coalition led by the United Nations Office on Drugs and Crime (UNODC) has been helping disenfranchised opium farmers cope with a local government-imposed opium ban. Another example is the efforts by the Food and Agriculture Organization (FAO), United Nations Development Program (UNDP), the Cooperative for American Remittances to Europe (CARE), and others using existing community forestry laws to help secure land tenure for local communities and protect them against illegal land confiscations. Although these types of activities do not generally change formal policies or institutions, they do help limit the arbitrary personal power exercised by corrupt local officials, which has caused much suffering all around the country, becoming a main source of local resentment against the government.

Sectoral policy reform
While much of sectoral policy reform takes place at a local and largely informal level, there has been broader national impact in some areas. Research and advocacy by organizations such as the Joint United Nations Programme on HIV/AIDS (UNAIDS), Médecins Sans Frontières (MSF), and Population
Services International (PSI) have been instrumental in improving government health protocols in critical areas, including HIV/AIDS, malaria, and tuberculosis which today reflect international best practices. Although underfunding and structural weaknesses in the national health system continue to hamper implementation, better protocols have saved countless lives. The ILO, similarly, has succeeded in getting the regime not only to declare forced labor illegal, but also, to some degree, to begin to enforce it. The last few years have seen a growing number of cases where offending officials have been punished and even a few in which victims of forced labor have been compensated. ILO officials believe that this will gradually change the culture of impunity within which many of these violations take place. Other areas where international engagement has had, or is beginning to have, a national impact include prison conditions, human trafficking, community forestry, and agricultural policy and extension work.

**Socialization**

In addition to these immediate outcomes, aid is influencing the broader structures and conditions of governance, which will be crucial to future progress on human rights. Conversations about aid, development, and human rights are gradually exposing ever-widening circles of military officers and government officials to international ideas and experiences, building the will and confidence (among some at least) to experiment with new policies and cooperative arrangements. The potential of such engagement was evident in the early 2000s when former intelligence chief General Khin Nyunt who, for many years, was the front man for the regime’s engagement with the international community, oversaw a period of unprecedented openness and international cooperation. In fact, this may be the single, most important effect of international engagement in a country where no major change is likely to be possible without the support of senior military leaders. Some of the younger commanders coming up through the ranks are showing similar signs of responding positively to cooperation with international (and local) development actors within their areas of responsibility.

**Empowerment**

Progress is evident on the demand side as well. While advocates of ostracism have mainly aligned with the NLD and exile groups around the
democracy agenda (which, as noted, has had little impact on human rights so far), organizations engaged on the ground are working with broader segments of society, ranging from community development projects at the village level to efforts to strengthen more formal civil society organizations and build networks among them. This work is not about regime change as such; yet, it is empowering people to take charge of their own lives and is starting a process of bottom-up democratization which will be crucial for future democratic reforms to become meaningful at the local level. Importantly, some of the national policy changes, for example on HIV/AIDS, have been brought about through broadly consultative and participatory processes, involving not only international and government agencies but also local NGOs and representatives of beneficiary groups. This is unprecedented in Burma and quite revolutionary in a country where even pro-democracy groups tend to work in a highly top-down fashion with little consultation with constituencies.

**Capacity-building**

Finally, international aid is helping to build the capacity of the state and of the society to respond if and when the political will emerges. The direct impact of this is limited by donor restrictions on engagement with government ministries and officials, but in some limited areas with substantial engagement, especially within the health sector, some administrative and technical skills are being built. Moreover, substantial capacity-building is taking place within civil society organizations, as well as among the local staff of international organizations. Along with broader educational schemes, including scholarship programs, this is building a cadre of future government officials as well as civil society leaders which will be crucial for the success of any future transition.

**Costs**

Critics have argued that aid legitimizes and enriches the military regime, thus delaying political change. Yet, while concern is justified and caution required, these claims are not generally borne out in practice. Contrary to some reports by exile groups, neither manipulation of aid for political purposes nor corruption is a huge problem for those organizations that remain vigilant, or at least, not greater than in a number of other fragile states. While foreign aid agencies face serious restrictions on the scope and type
of activities, including access to politically-sensitive areas and attempts have been made from time to time to exert direct government control over individual projects, they generally operate quite independently at the community level, are free to select their beneficiaries, and able to monitor aid flows. This is not to say that the government derives no benefits from foreign aid (or that it would not misuse or waste funds channeled through ministries without proper monitoring), but claims that aid shores up the military regime and delays democracy are exaggerated, unsubstantiated, and irresponsible. Indeed, in light of the substantial benefits discussed above, the political costs can seem trivial.

SOME STRATEGIC CONSIDERATIONS

Principled engagement is, by nature, an incremental approach since it works within the existing political structures rather than seeking to overthrow them. Yet, as military leaders are drawn out of their shell and activities on the ground expand and accumulate across sectors, it can become a catalyst for broader internally-driven reforms. The latter is especially likely if more can be done to improve the structural conditions for human rights by consolidating the embryonic peace in the border areas and reforming the economy to strengthen and spread the benefits of growth. In the meantime, engaged agencies can help the Burmese people cope with a bad situation and protect them from the worst excesses of personal abusive behavior. While proponents of ostracism tend to dismiss anything that lacks systemic impact, this individual perspective has value, particularly when those benefiting count in the hundreds of thousands or even millions. Every person counts. Indeed, this principle lies at the heart of the ideology of human rights.

Quicker and more thorough-going change would be preferable, of course. However, there is no way for Burma to move from dictatorship to democracy in one step. If the country’s tortured history shows one thing, it is that confrontation invariably leads to violent backlashes by the military and the devastation of political society—not to mention significant collateral damage brought upon innocent bystanders. Given this sadly predictable outcome, it makes strategic sense to retool and work for smaller, more incremental changes that, precisely because they do not
threaten the military’s immediate interests, may be able to penetrate the regime and gradually transform the configuration of power and interests to a point where bigger change becomes possible. This approach also has the advantage of facilitating the building up of institutional capacity which will help ensure that future political and economic reforms can be sustained and be meaningful to the broader population, something which is, by no means, ensured.

Huge challenges remain in taking principled aid to scale. As anyone engaged on the ground in Burma can attest, paranoia, ignorance, and vested interests continue to hamper cooperation in many areas. Rather than the (undeserved) reward that critics often seem to view it as, aid can be a bitter pill to swallow for hardliners in the regime who are extremely sensitive to any perceived break of Burmese sovereignty and may well prefer the status quo to a more dynamic and modernizing Burma. Even among more progressive elements, decades of self-imposed and now enforced isolation have left a legacy of wariness of outsiders and limited capacity to effectively engage with the international community.

Still, there is some room for optimism. The past 20 years have seen a significant expansion in the number of international agencies working inside Burma as well as the type of activities they are able to undertake and the areas of the country they can reach. While progress has not been linear, pro-active engagement has built up a certain “momentum” which has carried it through difficult times, such as during the immediate period after the purge of Khin Nyunt which saw a pronounced backlash from hardliners opposed to the opening of the country. The generous international response to the devastation caused by Cyclone Nargis in May 2008 has built further linkages, goodwill, and trust between the government and the aid community with a lasting positive impact, especially on the kind of informal negotiations that, in Burma’s weakly institutionalized system, are often more important than formal rules and regulations. Equally important, this tragic event has opened the eyes of the world to the many Burmese who have been working quietly, away from the headlines of popular uprisings and opposition politics, to improve the country. New linkages with this hitherto largely overlooked element of Burmese society will improve the ability of both the international community and domestic groups to work for change in the many small and fluid spaces in the porous authoritarian structures.
The upcoming elections and transition to a new constitutional and institutional setup, while clearly intended to maintain the military’s hold on power, are likely to reinforce, broaden, and deepen these positive trends for several reasons. First, the new government will be concerned with establishing a new legacy and, in particular, will want to do better than its predecessor. Secondly, while the new regime may involve more continuity than change in the distribution of power, it pretends to be democratic and will have to make some gestures in that direction in order to keep up appearances. Thirdly, the introduction of political competition, however limited, will increase the pressure on policymakers to do more for the general public. This is already evident in the campaigns by pro-government candidates and parties, which in “true” democratic style, are heavily focused on promises of benefits to their constituents. How much change occurs will depend significantly on who takes up the top posts in the new regime especially the presidency and whether the army will rally behind them. However, those who hope and work for further openings are not simply engaged in wishful thinking.

CONCLUSION

There is a need, generally, in the international community for more honest assessments of the consequences of existing policies on Burma and clearer thinking about how change can be brought about. The paradigm of change favored by many democracy activists, envisioning the defeat of the incumbent regime followed by wholesale reform by new elected leaders, is entirely unrealistic, given the distribution of power and interests in Burma today and the deep-rooted structural obstacles to democracy, peace, development, and human rights. The expectation that authoritarian leaders will eventually come to respect universal human rights and “do the right thing” is equally unrealistic and too often, little more than a cover for the naked pursuit of national interests. Principled engagement may be neither politically nor economically attractive to foreign policymakers, but it is a practical approach, which puts human rights, humanitarianism, and the welfare of the Burmese people at the center and is true to the spirit of the International Bill of Human Rights, which holds that all human rights are inalienable and indivisible.
This not to say that principled engagement provides the answer to all of Burma’s human rights problems, or that it is the optimal approach to every issue all the time. In some areas, stronger international pressure may be necessary to induce the government to cooperate, possibly including carefully targeted and calibrated sanctions. Also, it must be acknowledged that the impact of foreign aid on development and poverty reduction in any country is secondary to that of other capital flows such as trade, investment, and remittances. These caveats underscore the need for a comprehensive international approach that exploits synergies between different tools and influence mechanisms.

Yet, rather than the “poor cousin” to sanctions (or trade and investment) that principled engagement is often portrayed as, the evidence suggests that it must be the linchpin for any effective human rights strategy. While well-targeted, coercive pressure may create incentives for change, the net effect is likely to be counterproductive unless others are willing and able to engage with the government to help reduce the nationalistic backlash, co-opt local reformers, and identify compromise solutions. In a similar vein, principled engagement holds the key to promoting economic reforms and capacity-building, which can enhance the benefits of international trade and investment, both nationally and at the grassroots.

NOTES

1. According to one survey, sanctions aimed at bringing about regime change or similar major reforms were successful only in five out of 115 cases globally between 1914 and 1990. See Robert A. Pape, “Why Economic Sanctions Do Not Work,” *International Security*, 22(2) Fall 1997.

2. All regimes depend on their ability to provide valued goods for key constituencies. However, in authoritarian states the “winning coalition” is typically relatively narrow and can be bought off with private goods. The overall economic welfare of society matters little since ordinary people have no political voice. Such regimes, therefore, are often resistant even to large economic losses. See David Cortright and George Lopez, *The Sanctions Decade: Assessing UN Strategies in the 1990s* (Boulder, CO: Lynne Rienner, 2000); Susan Hannah Allen, “The Determinants of Economic Sanctions Success and Failure,” *International Interactions* 31 (2005): 117–138.
3. This is a nearly universal response to sanctions, and particularly pronounced in post-colonial states such as Burma where sensitivities to any perceived neo-imperialist interference are often high.


6. For an overview of some of these activities, see David Allen, “Same Place, Some Changes: Positive Engagement Examples in Myanmar and Thoughts for the Future” (paper presented at the Burma/Myanmar Update Conference, Australian National University, August 11–12, 2009).