



SHEDDEN PAPERS



Burma in Transition: An Analysis

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Abstract

This paper is an analysis of the situation inside Burma in 2010. It identifies four enduring problems within the country identified as 'fracture lines', and assesses whether these have the potential to be destabilising enough to be a serious concern for the country and even the region.

This paper is 28 pages long.

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*Burma is one of the most divided, most impoverished and most under-aided countries in the world. Governed for most of its history by repressive military rulers, ravaged by one of the longest running civil wars in the world and continuously buffeted by the strong winds of greater power interests and rivalry, it is a country of great potential but lost opportunities.*²

Introduction

Burma is a fragile state, held together by a highly centralised autocratic government whose legitimacy is based on military power. Rich in natural resources, Burma was once a vibrant country whose people hoped for prosperity as the country recovered from the ravages of the Second World War. Yet even at its birth as a nation in 1948, it was beset by unresolved ethnic divisions among its numerous kaleidoscopic ethnic and linguistic groups.³ Numerous minorities felt disenfranchised, and the resulting separatist insurgencies doomed the fledgling parliamentary democracy to failure as the military came to be the ruling institution. The intervening six decades have seen continuing internal conflict, with the policies of the military autocracy pushing the Burmese people into poverty and denying them genuine self-determination.

The army's counterinsurgency operations have caused widespread human rights abuse. These actions, combined with the killing of thousands of people during popular uprisings (1988 and 2007), the refusal to allow the National League for Democracy (NLD) to take power after elections in 1990 and the widespread denial of many other political and economic rights, have attracted harsh international criticism. As punishment, the United States and others imposed economic sanctions, but such policies have exacerbated Burma's predilection towards isolationism. Although Burma remains a weak state with a hardline regime, it has shown remarkable resilience to both internal and external pressures.

Even so, there remains international dissent on the best way to deal with the military regime in Burma. The Association of South East Asian Nations (ASEAN), which Burma joined in 1997, has maintained a relationship of 'constructive engagement' with Burma.⁴ Since 1988 China has become an important military supporter, with strong economic ties that are set to increase

² Morten Pedersen, *Burma/Myanmar: Aid, State Fragility and the Emerging Principles for Good Donor Engagement in Fragile States*, unpublished discussion paper for AusAID, January 2010, p. 3.

³ Christopher Roberts, 'Myanmar and the Argument for Engagement: A Clash of Contending Moralities?', *East Asia*, Vol. 23, No. 2, Summer 2006, p. 37.

⁴ Jurgen Haacke, 'Myanmar and ASEAN', *Building Asia's Security*, (ed.) Nick Bisley. London: Routledge, 2006, p. 42.

further once the infrastructure is in place to enable the export of Burma's massive natural gas reserves.

Burma's relationship with neighbouring Thailand is currently at a high point, although this varies depending on the outflows of cross-border crime, refugees and disease from Burma. Burma also exports large quantities of gas to Thailand which undermines the effect of others' sanctions. However, the level of irregular cross-border movements and disease has the potential to increase significantly if any shocks jolt the current political construct of the Burmese state.

Recent international calls for a return to democracy became more strident as the country worked towards elections in November 2010, with the intent to transition to a new form of government based on the widely criticised 2008 constitution. This combination of influences exerts different levels of pressure on this perilously fragile state. Further, it could be argued that together they may create the conditions for a perfect storm.

A Perfect Storm?

A perfect storm is when a combination of factors causes the greatest amount of destruction over the widest possible area. Burma's internal and external problems can be seen as fracture lines, any one of which could act as the catalyst for state collapse. Together, they have the potential to cause significant damage, not just to Burma but to the wider Asian region. As Burma transitions from a military autocracy to a democratic or hybrid form of polity, these pre-existing fracture lines make the country even more vulnerable to instability and collapse. This paper examines whether these fracture lines run the risk of forcing Burma from a state of weakness to a state of failure, and assesses whether this has the potential to destabilise Asia over the coming decade.

This paper examines four fracture lines. The first is the ethnic rivalries and enduring conflicts that have come to characterise the country over much of the twentieth century. Throughout its history, some ethnic groups in Burma have prospered at the expense of other groups. The government, whether colonial, socialist or military, has been seen to represent only one or a few ethnic groups. The intensity of the violence that epitomises this rivalry has subsided, but the underlying issues remain unresolved.

The second fracture line is comprised of the substantial transnational problems emanating from Burma. Transnational crime—particularly illegal drug production and trafficking, uncontrolled infectious disease and the numbers of refugees leaving Burma—have affected the security of the region for decades. These problems all have the potential to spill across Burma's borders with even greater severity if there is a period of political transition that fails to deliver effective governance.

A third point of fracture is the geo-political competition among the countries that surround Burma. While these countries are unlikely to violate Burma's sovereign interests, the competing interests of these powerful and wealthier neighbours could bring unsustainable pressure to bear on Burma. Burma figures prominently in the security planning of Asia's major rising powers—China and India—not least because it is strategically located in between them. With its resources, coastline and a population of 48 million,⁵ Burma is already an attractive ally. Geographic boundaries and natural resources also link it to Thailand. Yet, as a member of the Association of South East Asian Nations, Burma is proving to be a challenge and possible wedge to the organisation.

Finally, a fracture line exists in the country's capacity to cope with any political transition. The under-developed social infrastructure and immature political institutions demonstrate a severe lack of readiness for such a transition. While it could be argued that this resilient and adaptive country will cope with the uncertainty of political change, when taken with due consideration of the other fracture lines, such an outlook appears optimistic.

Fracture Line One: Entrenched Ethnic Rivalries and Enduring Conflict

No matter what name is ascribed to this country, it has always been characterised by strong ethnic diversity. The rivalries and violent conflict that have resulted present a potential fracture line. Today the ethnic breakdown in Burma is Burman 68 per cent, Shan 9 per cent, Karen 7 per cent, Rakhine (Arakan) 4 per cent, Chinese 3 per cent, Indian 2 per cent, Mon 2 per cent, and others 5 per cent.⁶ The percentage of Burmans is an increase from the 60 per cent of the total population that was noted in the 1931 census, although it is suspected that the some Mon groups have been subsumed into the latest figure.⁷

Historically, the Burmans originally moved into the lowland plains from the north. The lowlands were already inhabited by the Mon who had developed ties with India and adopted Buddhism and the written script from the Indian civilisation.⁸ Mountainous regions surrounding the lowlands (Burma proper) did not fall within the boundaries of the Burman kingdoms. Yet, they were not left untouched by them. For the ethnic Karen in the southeast, Burman interactions included raids for the procurement of forced labour. People in

⁵ Central Intelligence Agency, World Factbook, *Burma*, 28 April 2010, available at <<<https://www.cia.gov/library/publications/the-world-factbook/geos/bm.html>>>, accessed 18 May 2010.

⁶ Central Intelligence Agency, World Factbook, *Burma*.

⁷ Bertil Lintner, 'Myanmar/Burma' in *Ethnicity in Asia*, (ed.) Colin Mackerras. London: Routledge Curzon, 2003, p 188.

⁸ Lintner, 'Myanmar/Burma', p. 175.

these regions kept their closest links with the civilisations with which they felt a kinship. For the Karen and the Shan in the northeast of the country, this was Thailand.

In the west, tribes making up the Rakhine retained strong links to India, but came to be part of the kingdoms of lowland Burma. These kingdoms had survived to the sixteenth century due to a well-ordered society based on vassalage to the monarch and a strong sense of identity with a particular geographic area.⁹ However, rivalries among competing elites were responsible for bouts of conflict. A homogeneous society was elusive in such a mosaic of cultures and nationalities, and there was very little in the way of common interests. Burmese rulers in the second half of the eighteenth century probably achieved the closest to a sense of national unity in the lowlands, only to then be confronted by European colonial expansion.

British trading interests pushed east from India into a frontier area that was influenced by Burma but not controlled by it. The notion that an area and its people were not 'owned' by an identifiable ruler was anathema to the British. This led to a military confrontation, the British occupation of lower Burma, and the imposition of a treaty in 1826.¹⁰ Burmese prestige was affronted and the ruling elite failed to unite domestic rivalries or to appreciate the determination of the British. The second and third Anglo-Burmese wars were fought in the 1850s and in 1885–1886.¹¹ British will prevailed and the whole of what was seen as Burma eventually came under British colonial rule.

The incremental occupation of the country contributed to the way British Burma was administered. In the south and central areas of the country the old order was disestablished. The king was removed, the hierarchical order collapsed, and institutions such as the Buddhist monkhood lost their authority.¹² A new central hierarchy evolved, often relying on compliant ethnic minorities such as the Karen, who seized the opportunity to fill the gaps within the new administration.¹³ The British did not work with the existing social order. Rather, they replaced it. This was to cause widespread disenfranchisement with profound ramifications. Enmity between the groups (that once had the power) and the new elite proved difficult to placate, and they were not about to forgive the British for their policies.

⁹Robert H. Taylor, *The State of Myanmar*. London: Hurst & Company, 2009, p. 19.

¹⁰ Milton Osborne, *Southeast Asia: An Introductory History*. Sydney: Allen & Unwin, 2010, p. 74.

¹¹ Osborne, *Southeast Asia: An Introductory History*, p. 75.

¹² Robert H. Taylor, 'British Policy Towards Myanmar and the creation of the Burma Problem', *Myanmar, State, Society and Ethnicity*. Singapore: Institute of South East Asian Studies, 2007, p. 74.

¹³ Taylor, 'British Policy Towards Myanmar and the creation of the Burma Problem', p. 75.

Further complications were to follow in the more peripheral areas of the country, where newly-occupied areas were administered differently to areas in lowland Burma. Central control was abandoned in favour of allowing the existing leaders or headmen to retain their authority in the north and west frontier areas inhabited by the Chin and Kachin, and in the Shan dominated areas in the east.¹⁴ The British had therefore created a new country, Burma, by drawing borders around ethnically-diverse areas with a sometimes very loose affiliation with the previous kingdom. Separate forms of administration were then imposed on this new country, dividing it further. These actions alienated some ethnic groups, artificially allocated power to others, and allowed still other groups to retain the pre-colonial links of patronage and tributary to neighbouring states. These divisions were then exacerbated by the selection of particular ethnic groups for service in the military and by the way the armed forces were used for maintaining internal security.

The British had no qualms about using the military to suppress internal opposition and manipulate ethnic groups. Although Burmans were a majority ethnic group, they were excluded from service in the army in favour of the Karen and other minorities such as the Chin and Kachin.¹⁵ In effect, the minorities, by using the armed forces to quell Burman rebellions, were suppressing the majority. It is hardly surprising then that the Burmans sided with the Japanese in the 1940s as the Second World War enveloped Burma.¹⁶ The Japanese offered the enticement of Burmese independence and a way for the Burmans to reclaim power under the banner of nationalism. A Burmese nationalist movement was therefore simmering among the ethnic divisions of British rule.

The exclusion of minority interests in the maelstrom of post-war nation-building provided the platform for the violence in Burma to continue. Various forums were held to resolve the expectations of the different groups and to resolve the issues of federalism and separate states. The 1947 Panglong Conference concluded with the prospect of administrative autonomy for the 'frontier' areas.¹⁷ However, groups such as the Wa and Naga were not represented at this conference, while the interests of the Mon and Arakanese were represented by the Burmans.¹⁸ The creation of the Union of Burma in January 1948 saw multiple ethnic militias and the communists battle the government for control of their regions and the country by year's end.¹⁹

¹⁴ Matthew J. Walton, 'Ethnicity, Conflict and History in Burma', *Asian Survey*, Vol.68, No. 6, November/December 2008, p. 893.

¹⁵ Walton, 'Ethnicity, Conflict and History in Burma', p. 894.

¹⁶ Shelby Tucker, *Burma—The Curse of Independence*. London: Pluto Press, 2001, p. 40.

¹⁷ Ashley South, *Ethnic Politics in Burma*, London: Routledge, 2008, p. 25.

¹⁸ Walton, 'Ethnicity, Conflict and History in Burma', p. 902.

¹⁹ South, *Ethnic Politics in Burma*, p. 26.

Moreover, the country's independence failed to give the people the autonomy they sought based on their ethnic, rather than a national, identity. Inherent distrust led to a violent response on a range of fronts.

These insurgencies undermined the ability of the state to prosper. What did prosper was a cycle of armed conflict and civil war. The state itself became militarised and, in this case, allowed the Burmese military (*tatmadaw*) to gain greater powers and to dominate the decision-making processes.²⁰ When the elected civilian government attempted to resolve the underlying causes of the conflicts in 1962, by charting a course of greater autonomy for the outer regions, the *tatmadaw* overthrew the government.²¹ A Revolutionary Council was established, and far-reaching social and economic reforms were heralded under the banner of the 'Burmese Way to Socialism'.²² For the next two decades this staunch socialist agenda inadvertently entrenched poverty and allowed black market economies to flourish. This unintentionally kept support bases and structures in place that fuelled the insurgencies. Indeed the insurgencies strengthened in the period leading up to the 1980s.²³ Ethnic armed groups had a strong support base among the people in their geographic areas, and many controlled the local economy and local public administration. However, frequent splintering and regrouping of these ethnic armies prevented any meaningful unification among them.

Efforts by this military-cum-socialist government to suppress the insurgent groups met varying levels of success. In 1968 the 'four cuts' counterinsurgency strategy was endorsed,²⁴ with the specific aim of denying the insurgents their support base—the local population.²⁵ However, the *tatmadaw*, hampered by its obsolete equipment and seasonal weather restrictions, failed to eradicate the insurgents. In 1988, widespread pro-democracy demonstrations led to the government's position becoming untenable. Power transferred to the military, and the State Law and Order Restoration Council (SLORC) was established.²⁶ This was a turning point in the country, as military and ex-military officers were placed directly into positions of power. The 1990 election results that voted in the civilian National League for Democracy led by Aung San Suu Kyi,

²⁰ South, *Ethnic Politics in Burma*, p. 32.

²¹ Taylor, *The State of Myanmar*, p. 293.

²² Kyaw Yin Hlaing, 'Power and Factional Struggles in Post-Independence Burma', *Journal of Southeast Asian Studies*, Vol. 39, No. 1, February 2008, p. 157.

²³ Lawrence E. Cline, 'Insurgency in amber: ethnic opposition groups in Myanmar', *Small Wars & Insurgencies*, Vol. 20, No. 3, September–December 2009, p. 577.

²⁴ The 'four cuts' aims to cut off food, funds, intelligence and recruits from the insurgents.

²⁵ Hazel Lang, *Fear and Sanctuary—Burmese Refugees in Thailand*. New York: Southeast Asia Program Publications, 2002, p. 38.

²⁶ Hlaing, 'Power and Factional Struggles in Post-Independence Burma', p. 163.

were not honoured by the SLORC,²⁷ and the ethnic insurgencies again intensified.²⁸ In response, and under the SLORC, the *tatmadaw* increased in size, was better equipped and became a more capable military force with vastly improved intelligence and logistics.²⁹ As the *tatmadaw* consolidated its tactical success through a coordinated operational campaign, the military regime gained the upper hand. In 1997, SLORC (then renamed the State Peace and Development Council (SPDC)) initiated a campaign of dialogue and engagement. By 2006 two-thirds of the 41 armed ethnic groups had signed ceasefire agreements.³⁰

Although the intensity of nationwide conflict has subsided, a number of unresolved conflicts remain. The constitutional referendum conducted in 2008 as part of the 'Roadmap to Democracy' was held in the midst of the humanitarian response to Cyclone *Nargis*, and the referendum was generally considered to be a sham.³¹ Nonetheless, the SPDC insists that the parliament to be convened as a result of the 2010 elections, will activate the 2008 constitution.

Article 338 of the constitution requires all armed groups to come under the command of the *tatmadaw* as part of a Border Guard Force (BGF).³² A process has already been underway to convince the ceasefire groups to join. Yet, at least seven groups, with a conservative estimate of 37,000 armed members, have rejected the requirement to join the BGF.³³ The insurgencies therefore look set to reignite, as the *tatmadaw* seeks to enforce the requirements of the constitution. Yet, both ceasefire and non-ceasefire ethnic armies will most likely fight back. The relative autonomy of some regional ceasefire groups, such as the United Wa State Army, enabled them to regroup and rearm.

This renewed violence will therefore likely rupture the relative calm and current stability in Burma, as the fracture line of armed ethnic rivalry splits the country yet again. While it is possible that the levels of violence will not be as great as the 1970s and 1980s, whether there is cohesion among the ethnic armies will probably be a significant factor in how effective a fighting force they may be. Further, a modern Burma Army with the logistics, weapons, and

²⁷ The SLORC justified its position, stating that it should govern until a new constitution was promulgated.

²⁸ Cline, 'Insurgency in amber: ethnic opposition groups in Myanmar', p. 578.

²⁹ Lang, *Fear and Sanctuary—Burmese Refugees in Thailand*, pp. 44–45.

³⁰ Cline, 'Insurgency in amber: ethnic opposition groups in Myanmar', p. 579.

³¹ Stephen Smith, Minister for Foreign Affairs, *Ministerial Statement on Burma*. Canberra:

Australian Government, 8 February 2010, p. 3, available at

<<http://www.foreignminister.gov.au/speeches/2010/100208_burma_statement.html>>, accessed 18 May 2010.

³² ALTSEAN, *2010 Elections: A Recipe for Continued Conflict*, Alternative ASEAN Network on Burma, Thailand, 14 January 2010, p. 4.

³³ ALTSEAN, *2010 Elections: A Recipe for Continued Conflict*, p. 5.

intelligence to fight an effective campaign will make the depth of this fracture the measure of any future conflict in Burma.

In sum, the roots of this likely renewed conflict are deep, and based in the geography, ethnicity and history of the diverse region that is collectively called Burma. Differences between the people of lower Burma and those of the mountainous regions are stark. While there existed loose affiliations through pre-colonial history, many groups maintained independent cultures. Administrative division of the country into separate areas during the British colonial era perpetuated the ethnic differences. These were exacerbated by the way the various ethnic groups were employed, such as in the military. There was no discernable attempt to integrate the people of Burma into a single national political entity. Rather, over many decades, the system reinforced the perception of division and ethnicity.³⁴ The fundamental underlying issues of ethnicity and exclusion remained unresolved in post-independence Burma, and the military regime now has greater control over the country than at any time in its history. As the outcomes of 2010 elections come to be fully appreciated, it is generally acknowledged that any resulting government will still be controlled by the military for the foreseeable future. The scene is thus set for renewed ethnic violence, exacerbating the pressures on the myriad of other weaknesses in the country. These include a range of unwelcome exports.

Fracture Line Two: A Combination of Unwelcome Exports

The chronic conflict across much of Burma has allowed for an entrenched lawlessness, and the breakdown across civil society that accompanies it. The result does not just affect Burma; it has led to endemic transnational crime (particularly the production and trafficking of illicit drugs), floods of refugees, and rampant infectious disease. Combined, these can be seen as the second major fracture line.

Throughout its history, natural resources have provided the people of the mountain regions of Burma with considerable autonomy. The rugged terrain also acts as a barrier to unwelcome intrusions. Yet, such inhospitable geography has also negatively affected the delivery of infrastructure and communications. Against the backdrop of enduring conflict, this has limited the government's ability to provide health, education and other public services to the more remote regions. Throughout the decades of conflict, drug production and trafficking provided many insurgent groups with an income and a means by which to continue their insurgency. The Burmese government itself has also

³⁴ Lang, *Fear and Sanctuary—Burmese Refugees in Thailand*, p. 31.

been implicated in the trafficking of illicit drugs.³⁵ Other forms of crime such as people trafficking and black markets in money, weapons and precious gems have been able to flourish in these conditions.

Military operations and repressive social conditions have fuelled a steady flow of refugees over the past fifty years—particularly to Thailand, but also to India, Bangladesh and (to a lesser extent) China.³⁶ The lack of modern medical services has had a devastating legacy. It has contributed to the spread of infectious disease, with Burma having some of the world's highest rates of HIV/AIDS, tuberculosis and malaria.³⁷ This toxic combination of crime, refugees and disease create a deep fracture line that has already had a destabilising effect in the region. A trend analysis and forecast can determine whether it is likely to be the catalyst for absolute state failure.

Illegal drugs have a tendency to create a great deal of money for a small number of people, and a great deal of misery for a lot of people. Poppies grow well in the uplands of Burma, and the harvesting and sale of opium has been a feature of local economies for over a century.³⁸ There was a ready market of opium addicts to Burma's north in China, and merchants encouraged Burma's poppy production. Throughout the twentieth century taxes were imposed on poppy growers by the military forces that opposed the country's British, Japanese and then Burman rulers. During the ceasefires coordinated by the SLORC regime, the Kachin, Shan and Wa armies were allowed to keep their narcotic production and trafficking monopolies.³⁹ The Burmese military regime needed the hard currency that drug trafficking, and their complicity provided a surge in opiate production.⁴⁰ At an ASEAN forum in 1997, statements were attributed to the then US Secretary of State Madeleine Albright that Burma was the only member of ASEAN 'where the government protects and profits from the drug trade' and, further, that this trade 'threatens the region as a whole'.⁴¹

Recent figures indicate, however, that opium production has drastically diminished over the past decade, and that government-sponsored eradication programs are having a positive impact. To meet ASEAN-imposed deadlines for narcotics eradication, the SPDC embarked on a program in 1999 to eradicate

³⁵ Desmond Ball, *Burma and Drugs: The Regime's Complicity in the Global Drug Trade*. Canberra: Strategic and Defence Studies Centre, Australian National University, 1999, p. 1.

³⁶ Mathea Falco, *Burma: Time for Change*. New York: Council on Foreign Relations Inc., 2003, p. 30.

³⁷ ALTSEAN, *Burma Issues and Concerns Vol. 4: The Security Dimensions*, Alternative ASEAN Network on Burma, Bangkok, 2007, p. 17.

³⁸ Tucker, *Burma—The Curse of Independence*, p. 160.

³⁹ Bertil Lintner, 'Narcopolitics in Burma', *Current History*, Vol. 95, No. 605, December 1996, p. 436.

⁴⁰ Ball, *Burma and Drugs*, p. 3.

⁴¹ Ball, *Burma and Drugs*, p. 7.

opium production.⁴² There was a major decrease from the high of 130,000 hectares under opium poppy cultivation in 1998 to the low of 21,500 hectares in 2006 according to the United Nations Office on Drugs and Crime (UNODC).⁴³ From a high of 32 per cent of global opium production, Burma now accounts for only 5 per cent. However, although yields are well down, a concerning trend over the past three years has been the increase in area under poppy cultivation—to 31,000 hectares in 2009.⁴⁴ Heroin exports from Burma appear to have the potential to surge again.

However, the greatest growth in illegal drug production and trafficking has been in amphetamine production. Amphetamines and methamphetamines are popular stimulants that can be manufactured in small laboratories rather than relying on large plantations of poppies, and Burma is at the centre of this production in Asia. In China, 397 of 456 foreign nationals arrested for amphetamine trafficking in 2007 were Burmese nationals, while in Thailand methamphetamine seizures doubled to two tonnes in 2008—all of it from Burma.⁴⁵ Illegal drugs remain a persistent problem for the region, with Burma being the focal point of production and trafficking. In sum, illegal drug production and trafficking funds the insurgencies, props up the black economy, and exports criminality. It also exacerbates a range of health problems.

For example, one of the spin offs from drug use in Burma and the region is the spread of HIV/AIDS. Burma's health system has steadily deteriorated, and it is ill-equipped to deal adequately with health issues. The government's very low level of health expenditure equates to just 0.3 per cent of the national GDP.⁴⁶ Epidemics such as HIV/AIDS are simply not dealt with. In 2008 an estimated 76,000 people living with AIDS in the country had no access to treatment. The northeast provinces of India, and Yunnan province in China have been badly affected by AIDS and Hepatitis C as a result of an epidemic in Burma.⁴⁷ According to the World Health Organisation, Burma had 948,937 reported cases of malaria in 2009, and the scarcity of modern medicine to treat the disease in the country is exacerbated by there being only 127 pharmacists.⁴⁸ The spread of malaria to neighbouring countries is apparent in Thailand, where the highest

⁴² ALTESAN, *Burma Issues and Concerns Vol. 4: The Security Dimensions*, p. 16.

⁴³ UNODC, *Opium Poppy Cultivation in Southeast Asia*. New York: United Nations, 2009, p. 7.

⁴⁴ UNODC, *Opium Poppy Cultivation in Southeast Asia*, pp. 8–11.

⁴⁵ UNODC, *Statistics on drug trafficking trends in East, South-East and South Asia, Oceania and worldwide*, Thirty-third Meeting of Heads of National Drug Law Enforcement Agencies, Asia and the Pacific, Denpasar, Indonesia, 6–9 October 2009, pp. 21–22.

⁴⁶ US Congress, *US Policy Towards Burma*, Hearing before the Committee on Foreign Affairs, Washington, DC: United States Government, 29 October 2009 (published by the US Government Printing Office, 2010), p. 48.

⁴⁷ ALTSEAN, *Burma Issues and Concerns Vol. 4: The Security Dimensions*, p. 20.

⁴⁸ WHO, *World Health Statistics 2010*, World Health Organisation, Geneva, 2010, pp. 78 and 119.

prevalence of drug-resistant malaria is along its western border with Burma.⁴⁹ Yet again Burma is the weak link in the region, with a failing health system and government inability or incapacity to address major inadequacies in the health system, including the control of infectious diseases.

The spread of disease is further fuelled by the ongoing conflicts and the constant displacement of people. The United Nations High Commissioner for Refugees (UNHCR) identified 1,174,600 people that were either internally displaced or stateless in Burma in 2008.⁵⁰ Brutal military offensives tend to be the catalyst to drive people out of their homes, with many going on to leave the country and become refugees in neighbouring states. When the *tatmadaw* move into an area, soldiers inevitably demand supplies and money from villagers, kidnap individuals for forced labour, and carry out extrajudicial killings when cooperation with insurgents is suspected.⁵¹ As part of its 'four cuts' strategy, the Burmese Government also forcibly displaces people from their villages.

Thailand has borne the brunt of Burma's entrenched insecurity in the conflict areas of eastern Burma; as at July 2010, there were 146,563 refugees from Burma in the border region.⁵² The Thai Government tolerates the refugees camped inside its borders, and has effective programs in place to deal with them. At times the refugee camps provide a useful source of low-skilled labour; although the trafficking of women and girls for prostitution, drug trafficking and other black market activity encourages rampant criminality and is an unwelcome adjunct. Generally, the refugees are unwelcome and a source of tension occasionally flaring into violence. Even so, keeping the border region stable is Thailand's overriding interest.

The flow of refugees to Thailand and other countries bordering Burma remains fairly constant. If current figures remain constant, for Bangladesh this equates to about 20,000 mostly Rohingya per year, and for Malaysia the average has been about 5,000 refugees (although this figure increased to almost 15,000 in 2005).⁵³ As the Burmese Government works towards the formation of the Border Guard Force, the tempo of military activity will almost certainly increase and so will the flow of refugees. The worst case scenario is that there will be a mass exodus of people if the country descends back into civil war.

This toxic combination of entrenched black markets and associated transnational crime, the constant flows of refugees, and the country's inability to develop a health system that inhibits the spread of debilitating and deadly

⁴⁹ ALTSEAN, *Burma Issues and Concerns Vol. 4: The Security Dimensions*, p. 22.

⁵⁰ UNHCR, *UNHCR Global Report 2008*. New York: United Nations, 2009, p. 213.

⁵¹ Lang, *Fear and Sanctuary—Burmese Refugees in Thailand*, pp. 68–69.

⁵² The Thai Burma Border Consortium website, available at: <<www.tbcc.org/camps/2010>>, accessed 21 September 2010.

⁵³ ALTSEAN, *Burma Issues and Concerns Vol. 4: The Security Dimensions*, p. 34.

diseases is slowly destabilising the country and the surrounding region. While corrupt leaders can become accustomed to the money and power that the black economy can bring, refugees can become a permanent if not miserable fixture in neighbouring countries. Moreover, disease is difficult to eradicate without a health system and infrastructure to deal with it. There will come a point when this instability becomes a fracture line. As yet, the instability does not extend beyond the border regions of adjoining countries. Non-government organisations and governments are working to reduce the suffering of the people and the impact on affected countries. Although more aid is needed, at the moment it is enough to keep the shockwave from spreading. Much of the world is concerned by the extent of human suffering in Burma, and many are perplexed by the actions of the Burmese government - and indeed both can be seen as being exemplified by the semi-permanent house-arrest of Aung San Suu Kyi. However, the increasing interest in the country of late is arguably due to a growing awareness of its strategic geographic location and its energy resources.

Fracture Point Three: Geo-Political Competition

Burma is located between the emerging Asian giants of China and India, with a long Indian Ocean coastline, and has abundant natural energy resources. Once seen as the maverick and relatively unimportant country in the region, it is now seen to be in a pivotal geo-strategic position.

As China rises, it requires friendly neighbours and energy security. China is strengthening its engagement with neighbours such as Burma not least to gain access to energy resources. Yet suspicion over China's motives drives another rising power, India, to seek to counter China's advancing influence. As the global superpower, the United States has an abiding interest in the actions of both China and India, and so Burma runs the risk of becoming a pawn in these strategic machinations.

Thailand, which has been most affected by the consequences of Burma's wars and weak governance, must balance the outflows of drugs, refugees and diseases and a negative international perception of the military regime with the benefits of economic interaction with its westerly neighbour.

Burma's annual US\$2.25 billion gas sales have reduced the impact of economic sanctions imposed by the United States and the European Union.⁵⁴ ASEAN, on the other hand, has advocated a policy of continued engagement in contrast to isolation and sanctions, and ASEAN member states remain some of the biggest investors in, and trade partners of, Burma. Such disparity in international

⁵⁴ Toshihiro Kudo, 'Myanmar's economic relations with China: who benefits and who pays?' in *Dictatorship, Disorder and Decline in Myanmar*, (eds) Monique Skidmore and Trevor Wilson. Canberra: ANU E Press, 2008, p. 102.

approaches to dealing with the military autocracy has, in effect, neutralised the effect of both approaches. Ultimately, neither have greatly influenced the Burmese government.

China has no doubt welcomed the uncoordinated international approaches as it seeks to further engage Burma and develop its multifaceted interests in the country. These interests include the vast natural gas reserves, a market for Chinese goods including military equipment, countering the proliferation of crime along the shared 2,000km border, and generally enhancing China's security and foreign policy interests.⁵⁵ Since the SPDC came into power in 1997, the Sino-Burmese relationship has been on a path of expansion. The economic expansion has been particularly impressive, but balanced in China's favour. China exports over US\$1.3 billion in goods to Burma but only imports about US\$200 million in goods, mostly in the form of wood, gems and agricultural products.⁵⁶ The disparity in the trade relationship will change dramatically after completion of the pipeline from the gas fields off the southern coast of Burma to southern China. Besides the provision of natural resources for energy, Burma provides China with a transport corridor to the landlocked and underdeveloped Yunnan Province.⁵⁷ It is therefore in China's interests to see its relationship with Burma prosper.

China's interests are best served by stability, which arguably, in the short term, means Burma remaining under military control. At a local level, fighting between the *tatmadaw* and ethnic insurgents forces refugees into Yunnan, but China has broader interests in Burma remaining stable. China's security relies heavily on buffer regions to extend the distance at which it can protect its heartland, and Burma provides such a buffer on China's southwestern border.⁵⁸ This relationship also provides a way for China to extend its strategic reach with a platform to expand its influence in the Indian Ocean. China's support to Burma is extensive, particularly with regard to military equipment⁵⁹ and intelligence. However, reports of there being numerous Chinese military bases in Burma should be viewed with greater caution. Andrew Selth investigated the allegations of Chinese bases in Burma, particularly reports of an intelligence collection facility on Great Coco Island and the build up of bases on the

⁵⁵ Frank Jannuzi, 'The New Burma Road' in *Burma—Prospects for a Democratic Future*, (ed.) Robert Rotberg. Washington, DC: Brookings Institution Press, 1998, p. 199.

⁵⁶ Kudo, 'Myanmar's economic relations with China: who benefits and who pays?', p. 91.

⁵⁷ Bertil Lintner, 'Friends of Necessity', *Far Eastern Economic Review*, Vol. 51, No. 164, 27 December–3 January 2002, p. 24.

⁵⁸ George Friedman, *The Geopolitics of China: A Great Power Enclosed*. Austin, TX: Strategic Forecasting Inc., 2008, p. 2.

⁵⁹ ALTSEAN website, *SPDC Arms Suppliers*, available at: <http://www.altsean.org/Research/SPDC%20Whos%20Who/Armssuppliers.htm>, accessed 10 March 2011.

Haingyi Island naval base.⁶⁰ Selth found that much of the reporting about these bases emanated from India. Although the Chinese probably helped build the bases, they are likely to have access rights. Selth concludes that 'claims of China's influence in Burma over the past 15 years have been greatly exaggerated'.⁶¹ Therefore while the depth of the military relationship between China and Burma may be questionable, it is nonetheless substantial.

China does seek to counter India's relations with Burma however. Its rivalry with India is characterised by competition for influence, economic power and strategic advantage, and both countries drew swords in their short border war in 1962. The enmity created by this conflict and the embarrassment to India left deep wounds. In the early 1990s India commenced a 'Look East Policy' just as China was pushing southwest, with both countries aiming to capitalise on the economic development in Southeast Asia.⁶² This naturally brought them into competition beyond their common borders. India's policy towards Burma in the 1990s was directly aimed at nullifying Chinese influence; Renaud Egretau claims outright that the Indians have an engagement strategy of befriending the Burmese generals to counter China's influence.⁶³

India's own eastern insurgencies also came to influence India's motives towards Burma. It became apparent that numerous northeast Indian insurgent groups were harbouring in northwest Burma, with the *tatmadaw* at best turning a blind eye.⁶⁴ Through the offer of military equipment India has been able to obtain Burmese support to help counter the Indian insurgents. In 2002 India shipped T-55 tanks, 105mm howitzers and heavy mortars to Burma in support of its counterinsurgency operations.⁶⁵ Thus while India has been unable to overcome China's dominant influence in Burma, it has been able to manage it and to maintain a reasonable relationship with the SPDC. There has been no direct confrontation between India and China over Burma and, apart from the quest for natural gas (which China seems to have won for the moment), neither country seems to be in direct competition over resources in Burma. In the short term, it is unlikely that the geopolitical rivalry between China and India will manifest into confrontation over Burma—each has too much to lose.

⁶⁰ Andrew Selth, *Chinese Military Bases in Burma: The Explosion of A Myth*. Brisbane: Griffith Asia Institute, Griffith University, 2007.

⁶¹ Selth, *Chinese Military Bases in Burma: The Explosion Of A Myth*, p. 22.

⁶² Renaud Egretau, 'India's Ambitions in Burma: More Frustrations than Success?', *Asian Survey*, Vol. 48, No. 6, November–December 2008, p. 939.

⁶³ Egretau, 'India's Ambitions in Burma: More Frustrations than Success?', p. 944.

⁶⁴ Dominic Nardi, 'Cross Border Chaos: A Critique of India's Attempts to Secure its Northeast Tribal areas Through Cooperation with Myanmar', *SAIS Review*, Vol. 28, No. 1, Winter 2008, p. 166.

⁶⁵ Nardi, 'Cross Border Chaos: A Critique of India's Attempts to Secure its Northeast Tribal areas Through Cooperation with Myanmar', p. 167.

This is good news for ASEAN. In cultivating a regional identity and utilising the association as a trading bloc with countries such as India and China, rivalry over influence with a member state needs to be carefully managed. Differing views on how to deal with Burma causes tensions in ASEAN as it grapples with its role and purpose, always cognisant of the principle of non-interference in the internal affairs of other countries.⁶⁶

Yet relations between its member states test ASEAN. Border clashes between Thailand and Burma can become quite fierce, with a military confrontation and duelling artillery bombardments in 2001 resulting in a reported 100 Burmese troops being killed.⁶⁷ However, in recent years economic realities seem to have tempered the animosity, with the goodwill being reciprocated by the flow of natural gas to Thailand. Thailand imports significant quantities of natural gas from Burma through a pipeline connected to large offshore fields. The World Energy Council has assessed that Burma has recoverable natural gas reserves of at least 485bcm, which means 37 years of revenue at current production rates.⁶⁸

As Thailand continues to deal with chronic internal ruptures, it is unlikely that the Thai-Burma border will be the point of failure. In fact, Thailand has championed improving ties between ASEAN and Burma, introducing a roadmap that constitutes a 'pragmatic approach'.⁶⁹ Yet, it is hard to ignore the fact that the ASEAN Charter, which aims to strengthen the enforcement of ASEAN agreements, has been weakened by Burma's membership, particularly in respect of human rights violations.⁷⁰ There are also concerns that Burma's relationship with North Korea will introduce nuclear weapons into the region. This concern arose after reports indicated Burma had embarked on a covert program to develop a nuclear weapon capability based on North Korean technology.⁷¹ Such reports have not been substantiated, but they have attracted the attention of other countries, particularly the United States.

Traditionally, the US Congress has not reacted well to events in Burma. Interest in the country has been longstanding, with a Central Intelligence Agency presence in the 1950s during the early years of the Cold War.⁷² Since 1988, the

⁶⁶ Robert H. Taylor, 'Myanmar in 2007—Growing pressure for Change but the Regime Remains Obdurate', *Southeast Asian Affairs 2008*. Singapore: Institute of Southeast Asian Studies, 2008, p. 263.

⁶⁷ Haacke, 'Myanmar and ASEAN', *Building Asia's Security*, p. 47.

⁶⁸ World Energy Council, *2007 Survey of Energy Resources*. London: World Energy Council, 2007, p. 181.

⁶⁹ Haacke, 'Myanmar and ASEAN', *Building Asia's Security*, p. 5.

⁷⁰ Rodolfo C. Severino, 'ASEAN at Forty: A Balance Sheet', *Southeast Asian Affairs 2008*. Singapore: Institute of Southeast Asian Studies, 2008, p. 64.

⁷¹ Rod Lyon, *A delicate issue—Asia's nuclear future*. Canberra: Australian Strategic Policy Institute, 2009, p. 25.

⁷² Tucker, *Burma—The Curse of Independence*, p. 167.

anti-democratic behaviour of the military regime, including the ongoing and well-publicised plight of pro-democracy champion Aung San Suu Kyi, has resulted in the United States imposing a range of sanctions against Burma. Although this approach was backed by the European Union, it is at odds with ASEAN's engagement philosophy. This has impacted on Washington's ability to interact with ASEAN members; indeed, it brings the United States into disagreement with member states, and alienates it from its Southeast Asian allies such as Thailand and the Philippines.⁷³

The questionable effect of sanctions and the impact on America's relationship with ASEAN members seems to have been realised by the Obama Administration. In September 2009 US Secretary of State Hillary Rodham Clinton announced that the United States would combine existing economic sanctions with new efforts to engage Burma's leadership.⁷⁴ During his testimony to a US Congressional hearing on foreign affairs in 2009, State Department official Kurt Campbell explained that, as a result of a US Government review, a 'policy of pragmatic engagement with the Burmese authorities holds the best hope of advancing [US] goals'.⁷⁵ It is clear from this hearing that in addition to getting Burma to improve its record on human rights and move towards democracy, the United States is looking to counter missile and nuclear weapons proliferation and to stymie the influence of China in Burma and the region. A clear diplomatic battleground has therefore been chosen as the preferred way to bring about change in Burma.

Australia supports the new approach from the United States and announced an upgrading of support to Burma in early 2010. Development assistance has increased by 67 per cent to \$50 million per year, and a scholarship scheme has been announced, commencing in 2010–2011.⁷⁶ Overall, Australia's approach represents one of engagement and encouragement. This appears to mirror what is happening globally in that, although targeted sanctions remain in place, dialogue rather than threats of military intervention is the preferred way to deal with Burma. The potential for geo-political competition remains a potential fracture line but, at time of writing, no state is behaving aggressively towards Burma. Indeed, stability, tolerance and diplomacy appear to be the more dominant forms of interaction.

⁷³ Leon T Hadar, 'Burma: US Foreign Policy as a Morality Play', *Journal of International Affairs*, Vol. 54, No. 2, Spring 2001, p. 418.

⁷⁴ Christopher Roads, 'Warnings Greet Latest Obama Overtures—Plan to Engage Myanmar Brings Calls for US to Champion Rights, Democracy', *Wall Street Journal*, 25 September 2009, p. A16.

⁷⁵ US Congress, *US Policy Towards Burma*, p. 11.

⁷⁶ Smith, *Ministerial Statement on Burma*, pp. 4–5.

Fracture Line Four: Government Transition – the Good, the Bad and the Unknown

The final fracture line is the potential for destabilisation in the transition to a different form of government. Burma is no stranger to government transition, having experienced various incarnations of military rule throughout its recent history. The problem is that over the last sixty years the various forms of polity have been unsuccessful in transforming the ethnic groups into a cohesive nation-state. The elections in 2010 offer the potential to be transformational, with the prospect of a return to some sort of democracy after decades of military rule. However, given the farce of the constitutional referendum in 2008, there were calls for a boycott of the 2010 elections.⁷⁷ International agendas are still focused on democratisation, but agreement on the means for achieving a fair and open representation of the Burmese people's interests through politics remains elusive.

There is little doubt that some form of democracy is of keen interest to the people of Burma; the 1990 elections and the 'saffron uprising' of 2007 attest to these desires.⁷⁸ However, the ability of the state to cope with transition is in doubt as the civic institutions and societal infrastructure needed to sustain a democratic model of government are immature or nonexistent. In many ways, the rhetoric about the need for change belies an ignorance of how states form and evolve, and the length of time required for democracy to take hold.

Calls for immediate democratisation seem blinded by the human rights abuses, violence, poverty and other unremitting societal ailments that afflict Burma. Some commentators naively believe that the only way to right these wrongs is the imposition of a Western-style democracy. With such talk of freedom, Archbishop Desmond Tutu has urged the United Nations Security Council (UNSC) to intervene with a resolution 'that binds Burma's regime into an irreversible contract—one that commits it to a transition to democratic government'.⁷⁹ He is not alone in his protestations; the US Congress has been firmly behind continued sanctions, citing human rights and the lack of democracy as a basis for their condemnation.⁸⁰

⁷⁷ Benedict Rogers, 'Time to Bring Burma's Brutal Generals to Justice', *The Australian*, 26 April 2010, p. 8.

⁷⁸ Richard Horsey, 'The dramatic events of 2007 in Myanmar: domestic and international implications' in *Dictatorship, Disorder and Decline in Myanmar*, (eds) Monique Skidmore and Trevor Wilson. Canberra: ANU E Press, 2008, p. 18.

⁷⁹ Desmond Tutu, 'Easy praise, empty words', *New Statesman*, Vol. 135, No. 4805, 14 August 2006, p. 24.

⁸⁰ Jim Webb, *Opening Remarks of Sen. Webb at Senate Foreign Relations Committee Hearing on US Policy Toward Burma: its Impact and Effectiveness*, US Federal News Service, 2 October 2009.

However Russia and China have interests that are almost guaranteed to block of any UNSC intervention. A perspective that endorses intervention based on the 'responsibility to protect' principle still exists, but it has not been compelling enough to sway international consensus.⁸¹ There has already been a realisation that sanctions alone are ineffective and that, although genuine democratic government is the goal of many, engagement rather than intervention appears to be the preferred approach.

This means that the 2010 general elections, rather than any large scale international intervention, may eventually be the most likely catalyst for a change of type of government that rules Burma. Potential political change heralded by these elections is mired in the previous electoral process for the referendum, and the weakness of the resulting constitution. The referendum was generally seen as being illegitimate and the resultant constitution has articles that are specifically designed to prevent individuals such as Aung San Suu Kyi from becoming president,⁸² and the constitution enshrines military control. Articles such as 109, 141 and 232 give the Defence Services Commander-in-Chief the power to appoint 25 per cent of the seats in the parliament, and to prepare a list of people from whom the president can choose the Ministers of Defence, Security/Home Affairs, and Border Affairs.⁸³ With such key appointments controlled by the military, there is little prospect of the ethnic grievances being addressed with anything other than continuing armed force.

It could be argued that any movement along the road to democracy is better than military autocracy. Although this could be seen as tolerating little more than a hybrid form of democracy, it is still a step forward. Further, if Burma is seen as a 'post-conflict challenge' rather than a 'democracy transition' problem, a military-democratic hybrid is more understandable.⁸⁴ A change in the form of government at least allows other members of society to participate and enables the voices of the people to be heard. This being said, patience is required because the 2010 legislature will eventually provide the platform for long-term, substantive change.⁸⁵ A timeframe towards 2020 and beyond is more realistic in enabling a process of democratisation that encompasses ethnic minorities through federalism and a truly proportional system of representation.

⁸¹ Evans, 'Facing up to our responsibilities', *The Guardian*, 12 May 2008.

⁸² Richard Lloyd Parry, 'Defying the Despots', *The Australian*, 13 August 2009.

⁸³ ALTSEAN, *2010 Elections: A Recipe for Continued Conflict*, p. 2.

⁸⁴ Thant Myint-U, 'Don't Force Democracy in Burma', *The New York Times*, 29 September 2006, p. A23.

⁸⁵ Ian Holliday, 'Voting and Violence in Myanmar—Nation Building for a Transition to Democracy', *Asian Survey*, Vol. 68, No. 6, November/December 2008, p. 1047.

The next decade therefore will be crucial. Without the necessary political institutions and societal infrastructure, utterly depleted by a half century of civil war and neglect, the country may not be ready for democracy, hybrid or otherwise. The local authorities in many border regions are also the ethnic insurgents, some of them now ceasefire groups that have inadequate administrative structures to deal with post-conflict reconstruction challenges. Expectations will be raised with the installation of a new Burmese government, but the corruption of the civil service has reduced state capacity to such an extent that it will require years of remediation.⁸⁶ Agencies such as UNICEF will need to expand their operations to provide training and funding in the areas of health and education.⁸⁷ Infrastructure and communications networks will need to be built to reduce the isolation and the persistence of the autonomous mindset of the remote ethnic groups. However, perhaps the most intransigent task is convincing people in the ceasefire zones that their livelihoods and security can be guaranteed.

Further, concentrating on regime change or the government transition dilemma without addressing human needs ignores the roots of any democracy—the people. Local participation ensures a sense of ownership in the transition process. Since the 1960s, control over people’s lives has been subjugated to the Burmese military or armed insurgent groups.⁸⁸ Only when the people reclaim their land and are able to enjoy the products of their labour will they regain their basic human rights and dignity. Grassroots acceptance of democracy as a workable concept will bring meaningful and positive change to people’s lives. Only then will the change be durable enough that Burma does not fail.

The ‘Failed State Index’ uses indicators of state cohesion and performance to determine a country’s risk of failing. Burma is rated as ‘critical’.⁸⁹ It is therefore among the worst performing states in the world and although not failing completely, it is failing in the provision of human security, economic development, the rule of law, and the provision of political goods to the people.⁹⁰ It is not effective as a modern nation-state. To remedy this, the international community usually points to European nation states as the model to follow. These countries and their democratic polities, state structures and institutions often form the basis of a template by which to fix a failing state. However, it has taken centuries for these countries to build the social cohesion

⁸⁶ Pedersen, *Burma/Myanmar: Aid, State Fragility and the Emerging Principles for Good Donor Engagement in Fragile States*, p. 15.

⁸⁷ South, *Ethnic Politics in Burma*, p. 211.

⁸⁸ Ashley South, *Civil Society in Burma: The Development of Democracy Amongst Conflict*. Washington, DC: Institute of Southeast Asian Studies, 2008, p. 14.

⁸⁹ ‘The Failed States Index’, *Foreign Policy*, July/August 2009, p. 82.

⁹⁰ Robert I. Rotberg, ‘Disorder in the Ranks’, *Foreign Policy*, July/August 2009, p. 91.

of statehood—‘one community of people in one territory’.⁹¹ Social cohesion is often the ingredient that is missing in the fragile state, and this is certainly the case with Burma.

Progress on social cohesion is difficult to foster in Burma due to the lack of common identity and the enduring ethnic conflict. The British colonial system has left a legacy of success in countries such as Australia, with a dominant national identity, or in India where the time, energy and financial assistance of the Empire built up a structure of bureaucracy for the local people to inherit. This did not happen in Burma. The colonial institution solidified discrimination and failed to bring a sense of national identity to the diverse peoples within the arbitrary borders. Local societies were divorced from the system of government—a situation that continued into independence.⁹² Efforts by socialist/military governments to force a national identity upon the diverse ethnic groups in Burma have failed. As one ethnic group (such as the Burmans) comes to power, it inserts its own people into the ruling class, which leaves the groups now out of power with no incentive to support the political elite. When the ruling elite is the military, the group with power becomes even more exclusive; and the only glue for national cohesion is violence against the elite. In Burma the government has become separated from society. So, arguably, regardless of its shape or form, no government will be accepted.

Further, transition to a hybrid government runs the risk of continuing to deny the realisation of ethnic objectives, and failure to address the base issue of social cohesion means that government transition is likely to be destabilising. It could cause a fracture. Any regional spill-over effect could even be magnified by the intensity of the fracture after this recent period of relative calm.⁹³ Apart from Burma itself, Thailand is probably most likely to feel the effects of this fracture, due to its proximity to Burma and its own current internal instabilities. It therefore seems likely that increasing pressure will be placed on ASEAN to ensure Burma’s internal problems do not radiate into the region and become destabilising. The willingness or ability of the Association to deal with such an issue seems limited; yet it still has an interest in keeping the region stable. Pressure will also build on the UNSC, although a conclusive or effective response is unlikely to be forthcoming. Further, the United States is still occupied with other world trouble spots such as Afghanistan and with uncertainties over North Korea and Iran. Essentially, the government and the regime will continue to metamorphose over coming years, and depending on

⁹¹ Seth Kaplan, ‘Fixing Fragile States’, *Policy Review*, December 2008/January 2009, p. 65.

⁹² Kaplan, ‘Fixing Fragile States’, p. 69.

⁹³ Robin Geiß, ‘Armed violence in fragile states: low intensity conflicts, spillover conflicts and sporadic law enforcement operations by third parties’, *International Review of the Red Cross*, Vol. 91, No. 873, March 2009, p. 128.

how the Burmese government, its people, and the international community respond, this could be a profoundly severe fracture line.

Conclusion

Over the coming decade Burma will be a country in transition; it could become either a prosperous modern nation or a failed state. The series of fracture lines explored in this paper represent four major challenges to the country during this critical transition period. The ethnic rivalries and enduring conflict, the corrupt economy and floods of unwelcome exports, the regional power plays and now some form of transition government are each potentially destabilising factors. The issue of whether or not they are each, or combined, critical enough to bring the country to catastrophic collapse has been explored, and the conclusions this paper finds are as follows.

First, it seems that renewed conflict, possibly as a result of the transition government will remain, but this is unlikely to be critical enough to bring the country to collapse. Second, the waves of unsavoury exports such as illicit drugs, refugees and diseases will likely continue; but, while destabilising, none of them are unlikely to be a critical fracture line. Third, geo-political competition exists over Burma, but this will not be of such an intensity to overwhelm Burma.

The most likely scenario to play out in Burma over the coming decade is that the cycle of violence will continue the cycle of armed conflict and authoritarian rule. A greater volume of drugs, disease and refugees will be the result, but the international response will continue to be blinkered by an obsession with its solution to Burma's ills being a Western-style of democracy. A different approach is required; one that acknowledges these fracture lines and the likely depth of instability they represent. Ultimately, continued engagement with whatever regime is in power will enable interested parties to influence the government, which, in turn, will give the most valuable assistance to the people of Burma. This is the way forward.

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