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## BURMA'S FOREIGN POLICY : CONTINUITY AND CHANGE

In spite of being the second largest country in Southeast Asia endowed with immense natural resources, Burma seemed peripheral to everyone's interest except of course, to the Burmese. Ever since her independence she ardently pursued a policy of strict neutrality to an extent of almost isolating herself from world affairs. Within the confines of its borders the country has experienced national disunity, revolt, secession and low economic growth since it gained independence in 1948. Burma's size and population, its location between China and India, its economic underdevelopment, its memories of World War II and the suffering and destruction inflicted upon its people and land, its internal political instability and ethnic and political disunity were the hard realities that were starkly exposed to the Burmese government in the aftermath of independence. However, the leaders of independent Burma have transformed its political and constitutional structure, experimented with economic development schemes within a socialist context and have sought to create national unity and social harmony by finding a Burmese solution rather than importing one ready-made from abroad.

Burma's leaders realised that to guard their independence they cannot risk being embroiled in the cold war and bipolar power politics that characterised the post war years. But at the same time Burma's need for accelerated economic development was contingent on maximization of the quantum of foreign aid. To achieve this dual objective they adopted neutralism and non-alignment as the



basic tenets of their foreign policy. Of late, Burma has shown signs of coming out of her traditional isolationist posture and the adoption of a more positive approach to regional and international affairs. Considering the country's need for foreign economic assistance it has been moving towards a new liberalised economic policy and has become more receptive to international aid.

It may be possible, in the context of the abiding imperatives of political economy, to visualise a Burmese departure from its self-imposed isolationism and its xenophobic closed door policy. The most obvious and pertinent question in this connection is, what may be expected to be the substance of such a change in Burma's foreign policy posture ? To explore the answer it would be necessary to examine a number of related issues of vital nature. What, first of all, is the domestic content of Burmese foreign policy ? What really are the basic features of Burma's foreign policy as pursued in the context of its own abiding circumstances during the past decades ? How this isolationist-neutralist-nonaligned policy has been pursued so far ? What were the implications and how important are the imperatives for change ? What has been the role of the leadership that Burma so far had ? How the country's foreign policy posture can be expected to be effected by a possible change in leadership ? Would such changes be associated with continuity ? These are some of the questions which are sought to be answered in the present paper.

For the purpose of analysis, the paper is divided into four sections. First, as a background study, a socio-demographic and economic profile has been drawn. The second section examines the basic tenets of Burmese foreign policy. In the third section an account of Burmese foreign policy over the years including the periods of constitutional democracy and military rule has been given. Finally, an attempt is made to visualise the elements of continuity and change in Burma's foreign policy with reference to the prospects ahead in future.



## BURMA : A PROFILE

Foreign policy of a country is largely an outcome of its own perception of the global and regional strategic environments. Burma is no exception to this rule. However certain geopolitical and socio-economic factors of mainly domestic nature have tremendous influences in establishing the parameters of policy formulation of a country. A profile of these factors will provide as background for understanding the important aspects of Burmese foreign policy.

Burma is the second largest country in Southeast Asia, sharing borders of unequal sizes with Bangladesh and India in the west, China in the north and Laos and Thailand in the east. It has an extensive coastline which runs along the Bay of Bengal and the Andaman Sea. It is a land of ethnic and geographic diversity. Probably the most useful system for classifying the Burmese population is by their origin as either indigenous or alien. Within the indigenous group, the major subgroups identified along ethnic lines are the Burmans, Arakanese, Karens, Shans, Mons, Kachins and Chins. Indians and Chinese are the major alien minorities. The dominant ethnic group is the Burman, which comprises about 71% of the inhabitants. The next important group is the Karen (about 11%) which is dispersed over southern and eastern Burma. The Shans, Thai in origin are localized on the eastern plateau. Chins, Kachins, Mons and Arakanese totalling about 1 million are found in the north and northeast. In addition, there are about 400,000 Chinese, and 120,000 Indians and Bangladeshis concentrated primarily in the urban areas.<sup>1</sup>

Three outstanding geographic features have direct bearing on the political development of Burma. First, the country has a predominance of longitudinal valleys, mountains, and rivers and its chief cities and towns are located along a North - South axis in the interior, rather than near the borders on the seacoast. Second, the country

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1. Arthur S. Banks, ed., *Political Handbook of the World* ; 1979 ; Mcgraw Hill Book Company ; 1979, p. 90.



divides naturally into two distinct areas—the plains and the mountains. The mountain areas, subdivided into five states have relatively sparse population who lives in a more backward state of social and political development than do the plains dwellers. Burma remains divided between the Burman majority and the ethnic minorities of the plains and the hills. Third, Burma always has been partially isolated from its neighbours and the mountains have provided a land barrier to merchants and would-be invaders. Although Burma has a long seacoast, it lies outside the monsoon routes and seaborne traders did not come to the country in large numbers. Thus, on the one hand the physical separation of peoples within Burma contributed to the growth of differences among them in language, culture and political consciousness and on the other hand a sense of isolation and a desire to find solutions to local problems from within the Burmese tradition continued to persist in spite of contacts with the West for centuries through colonial rule. These elements— isolation and separation had a distinct impact, as will be shown below, on the country's domestic as well as foreign policy.

Potentially one of the richest countries of Southeast Asia with its vast fertile land, rich forest and water resources, abundant petroleum and mineral resources, Burma is ironically though, the tenth poorest country of the world with a percapita income of US \$ 180<sup>2</sup>. Burma is primarily agricultural and its economy is highly dependent on rice cultivation, which accounts for nearly 60% of the nation's export earning. Although Burma has the most advantageous ratio of population to arable land in Southeast Asia, half of its arable land is still uncultivated. The country also has extensive natural resources which include an abundance of teak and other woods and a variety of minerals such as petroleum, lead, zinc, tin, tungsten and precious stones. Despite its many favourable natural resources, Burma is an economically underdeveloped nation, its resources untapped and some even unexplored.

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2. *World Development Report 1985*, World Bank.



About 85% of the population professes classical Buddhism, which is the state religion. Buddhist values and attitudes are still the major source of influence on the perception of rural as well as the less westernized urban Burmese. While liberal and socialist ideas have made an important impression upon segments of the nation's leadership after World War II, the failure to develop an educational system to replace old ideas has meant that western thought remains a veneer upon a basically traditional people<sup>3</sup>.

## BASIC TENETS OF BURMA'S FOREIGN POLICY

### Nonalignment

Since its independence in 1948, Burma adopted nonalignment as the basic principle of foreign policy, the basic features of this policy being friendly relations with all countries, refusal of foreign economic assistance with any strings attached and rejection of alignment with any power bloc. In broad terms, the policy of nonalignment adopted by Burma can be viewed in the cold war context—the crude reality of the post-war world. Apart from that, the actual course of their foreign relations was determined by the anti-imperialist and anticolonialist attitude of their national leaders as well as by their domestic ideology of economic nationalism. Economic nationalism called for a minimum of foreign aid, although Burma was in need of massive foreign assistance for the purpose of post-war reconstruction and development. So whenever Burma accepted external economic assistance, it was with much hesitation and was to be without any strings attached. Thus although domestic policy became the single most important determinant of the foreign policy of Burma, foreign policy of the country became an important determinant of their internal political economy. The domestic economic needs and policies were subordinated repeatedly over the years to the prime consideration of maintaining a neutralist foreign policy. This interdependence of their

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3. Josef Silverstein, *Burma: Military Rule and the Politics of Stagnation*; Cornell University Press; Ithaca, 1977, p. 35



domestic and foreign policy has been consistent in both civilian and military rule in Burma.

Independent Burma started out with the most genuinely nonaligned foreign policy to be found anywhere in Asia. Burmese non-alignment was essentially determined by two factors: (a) Burma's desire to remain free from any external control either direct or indirect and (b) the need for economic development. The first objective has been fully realized as the country has been successful in avoiding bloc politics, but Burma still remains economically underdeveloped. Although by pursuing the policy of nonalignment, Burma received loans and grants not only from USA but also from USSR, UK, China, Japan, West Germany, etc., the quantum of foreign aid received was not very high mainly due to the hesitant mood in Rangoon in accepting foreign assistance on account on the fact that economic need was subordinated to the primary consideration of maintaining a neutralist foreign policy.

Although it was a founding member of the nonaligned movement, Burma did not hesitate to withdraw from it, when in Rangoon's perception the movement was proceeding too close to the Soviet

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*Burma's own perception of its national interest, independence, security and economic development has distinguished Burma from other countries that claim to pursue nonalignment.*

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position on world affairs. At the Havana Summit Conference in September 1979, the leader of the Burmese delegation, Brigadier General Myint Maung stated that "the principles of the movement are not recognizable anymore; they are not merely dim, they are dying". He then further stated that "we cannot allow ourselves to be so exploited"<sup>4</sup>. Even when Burma was an active member of the

4. *Asia Yearbook 1980*; *Far Eastern Economic Review*, Hongkong. p. 148.



nonaligned movement, she refused to join any bloc or grouping of nonaligned nations. She did not join for example, the Association of South East Asian Nations ( ASEAN ) inspite of the fact that both her security and economic interests converged with the grouping. This aptly demonstrates that Burma's foreign policy was truly nonaligned. Although Burma is no longer an active member of the nonaligned movement, she still pursues nonalignment as the basic principle of their foreign policy. In pursuing nonalignment, specific features have characterised Burma's foreign policy which distinguishes Burma from other nonaligned countries. These features, as already mentioned, have their origin in Burma's own perception of its national interest, independence, security and economic development.

### **Isolationism**

Traditionally, Burma has been an isolationist nation. The country's centuries' old isolationist attitude from the rest of the world mainly due to her geography and belief in Buddhist otherworldliness, was revived once again when General Ne Win came to power in 1962. The new government concentrated more on domestic arena and tried to be strictly neutral in foreign affairs, even to the point of isolating itself. Although there was no fundamental change in Burma's foreign policy, the country ceased to play any active role in the nonaligned movement. During the period 1962-1972 Burma's inward looking posture, as it will be evident from subsequent discussions, marked its relations with all the countries.

### **Neutralism**

Neutralism has been a consistant feature of Burma's foreign policy. The principle as it was practised in Burma, over the years, protected the country from conquest, dismemberment and political domination by foreign powers. Burma became famous, through the years for the pursuit of "genuine neutralism" in a dynamic world.



The Burmese idea of neutralism often has been misunderstood. It was neither neutrality in the purely legal sense nor isolation in the manner practised by the U.S. during the decade of the 1930s. Nor was it "fence-sitting" to find and eventually join the winning side, as many critics suggested. Instead, it was a policy that allowed its proponents to weigh issues, study facts, and arrive at decisions based on legal as well as a moral principles and that permitted the nation to serve its own interests.<sup>5</sup>

This policy as we shall see later, permitted Burma in the post war bipolar world and later in the multipolar international politics to avoid pressure to join in bloc politics. Burma's leaders assumed that alignment of any small state to a power bloc will not have real bearing upon the balance of power between the major nations but will compromise the independence of a small state. So a small nation could contribute to world peace through the moral force they represented and at the same time could contribute to the well being of their nation by remaining neutral and nonaligned. In defending Burma's policy in the United Nations, at the time of the Korean war, Prime Minister U Nu, told his parliament that, "if we consider a right course of action is being taken by a country, we will support that country, be it America, Britain or Soviet Russia. If wrong, we must object whichever country it be, in some way or other. Although a small country, we will support what is right in the world, in order to be able to do right, we cannot allow ourselves to be absorbed in any power bloc<sup>6</sup>."

The personality factor also played an important role in the formulation of Burma's neutralist foreign policy. Although Burma had a parliamentary form of government responsible to the cabinet, within a few years after independence the actual decision making power was vested in Prime Minister U Nu and his small group. The

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5. Josef Silverstein, *op. cit.*; p. 168.

6. U Nu, "From Peace to Stability": (Rangoon; Ministry of Information, 1951), p. 101, cited in Josef Silverstein, *Burma: Military Rule and the Politics of Stagnation*, *op. cit.* p. 168.



personal philosophy of U Nu, who was well known for his non-political, serene and religious nature and who was never a member of any political party except the Anti-Fascist People's Freedom League (AFPFL) coalition, impelled him, apart from political considerations to strive for peaceful international relations. In the early years of independence, he intended to uphold the cause of Socialism and Buddhism at the international level.

### China Factor

Although Burma's foreign policy has hardly been specific about the source of threat to the country's security, the 'China factor' has always loomed large in its external postures and relations. A prime concern of Burmese leaders since independence has been the maintainence of a cordial relation with its northern neighbour China with whom she shares a 12,000 mile long contiguous land territory. Burma remained suspicious of the moral and material support given by China over many years to the Burmese Communist party (BCP) and its insurgent army. This has been concentrated in northern and eastern Burma, since the communist enclaves in the mountains of central Burma were eliminated in 1975. Despite such provocation since the early years of independence, Burma sought to keep China on friendly terms in the belief that a friendly China would restrain communist insurgency activities in Burma. Throughout the years, China factor has had an overpowering influence on Burma. Some political scientists are of the opinion that if Burma has been neutral in her foreign policy, she has been so in a China context, continuously assuring, insofar as possible that relations with Peking were appropriate.<sup>7</sup> Although Burma was deeply interested to keep China on friendly terms, she acted quite independently on some major international problems against the wishes of China. Her foreign policy was determined by "independent

7. See, David I. Steinberg, *Burma, : A Socialist Nation of South East Asia* ; Westview Press : Boulder, Colorado, 1982, p. 122.



or positive" actions on issues according to what the Burmese government believed to be "right" in a given situation.

### BURMA'S FOREIGN POLICY : AN ACCOUNT

An account of Burma's foreign relations and interactions since independence, will be useful to comprehend the mechanics of the Burmese foreign policy in operation. For the purpose of analysis, the exercise here will be divided into two broad phases of civilian rule (1948-1962) and military rule (1962 onwards). It is important to mention here that in 1974, after twelve years of military rule, Ne Win government adopted a new constitution, under which the power was transformed theoretically speaking from the Revolutionary Council to the "civilian government". In practice, however, the old military personnel, most of them former members of the Revolutionary Council as well as the Burmese Socialist Programme Party (BSPP) sought to perpetuate their powerful role in Burmese politics rather than to bring about any fundamental change in it. Thus it is apparent that the constitutional government since 1974, under the garb of civilian rule was for all practical purposes military, which justifies the broad classification mentioned above.

This section also reflects upon the imperatives of Burmese political economy and the likely impact of future leadership changes in the country.

#### Civilian Rule (1948-1962)

Immediately prior to independence, Aung San<sup>8</sup>, the father of independent Burma, spoke about an active foreign policy for the country. He spoke about an international role for Burma in concert with other nations of Asia and sought to prepare the Burmese for their eventual participation in some sort of regional

8. Aung San was the leader of Anti Fascist People's Freedom League (AFPFL) which masterminded the revolt in 1945, that ousted the Japanese from Burmese soil.



association.<sup>9</sup> As a pre-war and wartime resistance leader and as the symbol of the drive for political independence, he held the confidence of the Burmese and his ideas were likely to be well accepted. However, his assassination, immediately prior to independence, precluded the implementation of his ideas, as new leaders had a vision of Burma different from that of Aung San. More important, they faced a situation that differed greatly from the preindependent one.

Shortly after independence, domestic and international challenges impinged upon the country's newly won sovereignty and independence. Ethnic and political disunity erupted into rebellion, the cold war extended into Burma as the opposition political parties sought to make it a domestic issue and the ever increasing economic needs, brought back memories of war time. The nation's new leaders had to devote all their attention to saving the union and their response to these challenges was to adopt neutralism and nonalignment as the cornerstone of their foreign policy. Burma accepted the principles of maintaining "friendly relations with all countries" especially with her neighbours, without being involved with any one, and of receiving "no economic aid with strings attached".

During the phase of civilian rule, Burma's position on issues and problems reflected the policy of neutralism and nonalignment. In 1950, it joined other nations at the UN in calling for a halt to North Korea's aggression against the South; however, when the United Nations forces crossed the 38th parallel, Burma withdrew support on the belief that UN had overstepped its original mandate. In 1956 the Rangoon government spoke out forcefully against Russian intervention in Hungary and voted a year later, to accept the United Nations report on the Hungarian uprising.

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9. Josef Silverstein, ed, *The Political Legacy of Aung San*. (Ithaca : South East Asia Program, Cornell University, Data Paper No. 86, 1972) "Introduction" pp. 10-11.



Burma voted to condemn the actions of Great Britain, France and Israel in Egypt in 1956. Burma publicly deplored the violations of the UN charter implicit in the American backed invasion of Cuba in 1961.<sup>10</sup>

However, Burma's neutrality was put to test on several occasions. The most crucial test was the abrupt cancellation of \$ 19.6 million ( kyats 9.3 crs ) worth of American aid in 1953. This action, which severely affected the domestic economy of Burma in so far as the Eight-year-plan had to be abandoned half way which was initiated in anticipation of substantial American aid, could be explained in terms of several factors. The most important one was the Burmese government's suspicion that the Kuomintang (KMT) invasion of the Chinese-claimed Burmese frontier territory of Keng-tuug, the Wa States and Bhamo was backed by the United States. Although there was no direct evidence of American support behind the Kuomintang troops, it is true that by 1953 they were armed with American weapons.<sup>11</sup> Burma was particularly worried that the Chinese government would get the impression that Burma was harbouring the KMT troops in her country. She was deeply interested to keep China on friendly terms to safeguard her security. The perceived threat to the political security of Burma in this case was given primary consideration by suspending her economic development.

In the mid 50s, as part of the US defence system in South-east Asia, the SEATO was formed. Burma in line with her strictly neutral policy refused to join SEATO and vehemently opposed the accommodation of foreign military bases on her territory. This aspect of Burma's foreign policy was very acceptable to the Soviet Union who was apprehensive of the US designs in South

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10. Josef Silverstein : Burma ; Military Rule and the Politics of Stagnation, *op. cit.*, p. 195.

11. Kalyani Bandopadhyaya, *Burma and Indonesia : Comparative Political Economy and Foreign Policy* ; South Asian Publishers, New Delhi, 1983, p. 154.



east Asia, as well as to China. It is important to note here that during this time there appeared some symptoms which indicated the erosion of Burma's relations with the US as well as the prospect of her growing relationship with Soviet Union and China.

Although there was notable improvement in Burma's relations with the Soviet-led Communist bloc, she was careful in maintaining a relation of friendship and peaceful coexistence with China. On the eve of independence, the relations between the two were troubled by a disputed border, illegal immigration and smuggling. The border issue became a constant problem because of Burmese inability to control the unlawful entry of Nationalist Chinese forces into its territory and to prevent them from raiding into China. By 1950, the United States Central Intelligence Agency (CIA) began to supply money and arms to these illegal forces and to encourage them to raid into China from Burmese soil. In 1953, Burma asked the United States to cancel its aid programme and took the question of the illegal Chinese forces to the United Nations. Despite the efforts of the world body, only a partial repatriation of the Chinese to Taiwan was effected, and the remaining KMT soldiers settled down in the border areas of the Shan State and became involved with Burmese ethnic and political dissidents and active in the illegal opium trade<sup>12</sup>. Burma-China negotiations on the border question began on September 21, 1956 and after four years of peaceful negotiations, a border agreement, together with a treaty of friendship and mutual nonaggression, was signed in January 18, 1960, which gave a firm base to Sino-Burmese relations. With the border finally settled in 1961, Burma launched a military campaign to expel the remnants of the KMT from its territory but the problem of KMT remnants still remained unresolved, when Ne Win seized power in 1962.

During the period of civil war in Burma many ethnic and political dissidents escaped capture by taking refuge in China. Many,

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12. Josef Silverstein, *op. cit.* p. 172



in and out of Burma government, felt that the Chinese were supporting leftist rebels while advocating the five principles<sup>13</sup> of good relations between states. Although not as pronounced as during the military rule, the problem of illegal immigrants, smuggling and foreign support to Burmese insurgency served as irritants in Sino-Burmese relations during the civilian rule.

However there were indications of growing friendship between the two countries. In 1958, China provided Burma with a textile factory. In 1961, the two entered into further aid and trade agreements that provided Burma with a loan of £30 million interest free for use in technical assistance, material aid and training. The trade agreement signed a few weeks later, called for trade expansion.<sup>14</sup>

China's friendly overtures towards Burma since the late 1950's could be explained mainly in terms of her desire for leadership in Southeast Asian politics. In the context of the growing Soviet

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*Close ties with the communist bloc, selective acceptance of foreign aid and reconciliation of neutralism with "right" policy were the three main elements of neutralist foreign policy under civilian rule.*

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influence in the region and the Sino-Soviet conflict, China became particularly interested to offset the Soviet influence there. In this

13. In 1954, U Nu and Chau En Lai met in Rangoon and agreed upon five principles on which to base relations between their two states ; mutual respect for each others territorial integrity and sovereignty, non-aggression, non-interference in each other's internal affairs, equal and mutual benefit and peaceful coexistence. The two countries amplified these principles by affirming the right of the peoples of each nation to choose their own state system and way of life without interference from other nations. They agreed that revolution was not exportable and that outside interference should not be permitted.
14. *Burma Weekly Bulletin*, No. 9, (January 19, 1961), p. 359 ; *ibid*, No. 41 (February 9, 1961, p. 383) cited in Josef Silverstein *op. cit*, p. 178.



regard China expected to get Burma as an important ally. Although Burma was interested to keep China on friendly terms, she could not be free from her suspicion regarding the ultimate objective of China and acted quite independently on major international problems often against the wishes of China. She tried to maintain a policy of nonalignment on the Vietnam war in order to protect herself from entanglement in the confrontation between China and the USA. Similarly on the Sino-Indian border dispute Burma maintained more or less a neutral stance.

It is evident, therefore, that in the phase of civilian rule, Burma's neutralism included three principal elements, namely, improvement of relations with the communist bloc, a selective attitude towards foreign aid and an attempt to reconcile neutralism with the "right" policy as determined by the perceived national interest.

#### **Military rule (1962 onwards)**

One major area of commonality between the civilian and military governments in Burma, was its neutral and nonaligned foreign policy.<sup>15</sup> The balance of power in world politics impelled the military rulers in Burma, like its predecessors to maintain good relations with all, without being too deeply involved with any power bloc. But it should be noted here that while under U Nu's leadership, Burma played an active role in world politics especially in South and South-east Asia including its role as one of the co-sponsors of the historic Bandung conference of 1955, Burma's foreign policy during military rule, at least in its first phase, was probably one of the least active in all Asia.

#### *First Phase (1962-1974)*

During this phase, Burma's inward-looking posture marked its relations with all the countries of the world. It tried strictly to be neutral to the point of isolating itself. Foreign visitors granted visas

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15. "Communique", No 3, March 2, 1962, *Burma Weekly Bulletin*, 10, No. 45 (March 8, 1962), p. 388, cited in Josef Silverstein, *op. cit.*, p. 167.



for no more than twenty four hours, were limited to Rangoon. Most foreign agencies except diplomatic missions were expelled or asked to withdraw from the country. Her closure of World Bank activities were probably prompted by an antipathy to having foreigners observe closely the Burmese economy. Though foreign contacts have been periodically augmented, (for example, during 1967-1970), to counter-balance the strained relations with China, the country remained by and large, closed to the outside world. During the mid 60s in the context of the increasing tension between the two major communist powers in Southeast Asia there were efforts by non-communist nations of the region to build up the collective strength and security. The Association of South East Asian Nations (ASEAN) was established in 1967. Burma, however did not join ASEAN even though its economic interests converged with the grouping and Burma's not joining it meant loss of considerable opportunities. This could be attributed partly to Burma's traditional attitude of isolationism, and partly to her cautious policy of not doing anything which might antagonize any of the big powers, especially the communist ones. The official justification for all these strictures was that, Burma wanted to be left alone to set its house in order.

The new government concentrated more on the domestic arena, where it sought to balance Western and Eastern influences by reducing both to the minimum. Ne win tried to minimize Burma's foreign aid requirements by nationalizing the trade (both internal and external) and distribution sectors. The object was to finance the "Burmese way to Socialism" through the public sector. The economic policy the military rulers advocated was geared to the welfare of the peasants and workers by eliminating the profit motive and the alien (Indian and Chinese) middlemen and establishing state-controlled cooperatives in all sectors of the economy. The "Burmese way of Socialism" however failed to achieve the desired success and led the country down the road to bankruptcy by the end the sixties<sup>16</sup>. This economic fiasco prompted

16. D.R. Sardesai, *South East Asia : Past and Present*, The University Press Limited, Dhaka, 1981. p. 345



the Ne win government since 1969-70, to adopt a number of steps to revitalize the ailing economy. The government's attempt to (i) diversify the export trade, (ii) pursue an industrial policy of import substitution. (iii) speed up completion of state industrial projects under construction and (iv) set up new enterprises capable of producing the best results in the quickest possible time received top-most priority in the domestic sector. All these naturally called for increased foreign assistance in the form of trade or aid.

It is important to mention here that, there was a perceptible deterioration in Sino-Burmese relations in the mid 60's. The enhancement of Chinese government's, support to the BCP insurgents and the Chinese attempt to export the Cultural Revolution to Burma culminated in a Sino-Burmese rift in 1967. In the aftermath of the Cultural Revolution, Sino-Burmese relations improved, though they never again reached the same cordial level as before. Moreover, during this time, Burma drew closer to the Soviet Union and East European countries and also improved its relations with the US. The increasing need for foreign assistance to save Burma's troubled economy, prompted the military rulers to consider liberalising economic policy and improving trade relations with different countries. The volume of Burma's imports from China increased from kyats 57.4 million in 1970-71 to kyats 61.5 million in 1971-72, and further to kyats 78.8 million in 1972-73. Similarly, exports to China increased from only kyats 3.4 million in 1970-71 to kyats 5.5 million in 1971-72, and further jumped to kyats 56.7 million in 1972-73.<sup>17</sup> She managed to receive from Japan in 1971-72 fresh credits of yen 10,800 million over the next three years for purchasing Japanese equipment and servicing Burma's rolling stock, farm implements and electric appliances. An agreement was signed with West Germany for a long term loan to Burma of DM 32 million for financing the construction of a state-owned spinning and weaving plant.<sup>18</sup>

17. M.C. Tun, "Burma: Ruffled Waters", *Far Eastern Economic Review* 4 Oct., 1974. p. 38.

18. *Asia Yearbook, 1971*, *Far Eastern Economic Review*, p. 107.



In mid-1971, the Soviet Union's President, Podgorny, signed an economic assistance agreement during his visit to Rangoon.<sup>19</sup>

### *Second Phase (1974-present)*

A notable feature of Burma's foreign policy since 1973 has been the adoption of a more positive approach to regional and international affairs. It has been actively cultivating close friendly relations with the countries of South and Southeast Asia, especially its immediate neighbours. It has also been moving towards a new liberalised economic policy and became more receptive to international aid. All this marked a notable departure from the country's policy of strict isolationism, which characterised the first decade of Ne win's rule. While continuity with the past remained in Burmese foreign policy, in the shape of nonalignment and neutralism, a change came about in the form of much greater emphasis on economic liberalisation and outward looking foreign policy. This new consciousness, reflecting the country's need for foreign economic assistance, made Burma's foreign policy more and more pragmatic and less and less doctrinaire.

The gradual departure of the Americans from Southeast Asia coincided with the growing Sino-Soviet rivalry in the region. This major shift in the power relationship in Southeast Asia gave a new dimension to Burma's traditional nonaligned foreign policy. She now became more security conscious and as she perceived a potential threat from both China and the Soviet Union, she became particularly careful in maintaining a balanced relationship between the two communist giants. At this time, Ne win had to face great difficulties on the Burmese domestic front. Although in March 1974, Ne win was successful in his second attempt to make a constitution for Burma which transferred power from the Revolutionary Council, to the civilian government, he was unable to suppress the accumulated

19. D.R. Sardesai, *op. cit.*, p. 35.



discontent, generated by the failure of his "Burmese way to Socialism". The Chinese government, which never stopped aid to the BCP allegedly took advantage of the disturbed political situation of Burma to encourage new and violent insurgencies. In 1972 and 1973 the BCP insurgents liberated most of Burma east of the Salween river and north of the Shan city of Kentung, allegedly with the help of Chinese cadres and technicians. Regarding this issue, the Chinese maintained that it was the Chinese Communist Party, not the

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*While nonalignment and neutralism continued, a change came about in the form of greater emphasis on economic liberalisation and outward looking foreign policy.*

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government of PRC, that had been supporting the BCP.<sup>20</sup> This unreal distinction between party and state has never been regarded by Burma as satisfactory, but it was always preferable to risk a complete break with China as relations with China were prime in her security considerations. With the leadership changes in China, after the death of Mao, Burma's patience began to win its reward. China reduced its logistical support to the BCP in line with its revised policy towards Southeast Asian communist parties.<sup>21</sup>

The Sino-Soviet rivalry in Southeast Asia has assumed a new dimension since 1978. The Sino-Vietnamese border conflict in 1978 became the new source of tension. The Chinese incursion into Vietnam in 1979, its obvious failure to compel Vietnam to withdraw her forces from Kampuchea, and the ease with which Vietnam, supported by the Soviet Union, resorted to a military solution in Kampuchea, have become a source of great concern for all the non-communist South-east Asian nations, including Burma in recent years. Under the circumstances, therefore for Burma, which is situated next door to anti-Soviet China and anti-Chinese Vietnam

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20. K. Bandopadhyaya, *op. cit.*, p. 181

21. William Crawley, "Burma" *Asia and Pacific* 1983, p. 102



it has become more difficult in recent years to uphold its foreign policy of "independence, nonalignment, good neighbourliness and friendship with all nation".

Nonetheless, out of her security considerations, she has been trying hard to steer clear of the region's conflict by maintaining a balanced relationship among China, Soviet Union, Vietnam and the USA. Thus, on the Kampuchean issue, Burma denounced the Vietnamese invasion, and in 1979 supported the seating of the Pol Pot representative at the UN, and on 13 October 1980, abstained during the vote on the seating of a Kampuchean representative on the UN General Assembly.

In the same year, Burma withdrew from the non-aligned movement on account of the controversy created by the attempt of Cuba, supported by Vietnam and other pro-Soviet states, to have the conference adopt a resolution to the effect that the Soviet Union is the natural ally of the nonaligned movement. Burma's withdrawal signalled to the world that Burma would not let its important relations with Peking be jeopardised by what it regarded as the misuse of that meeting for Russian purposes in the Sino-Soviet split. At the same time however, Burma has been particularly careful not to move too close to China. Burma has aptly demonstrated over the years, that it can live alongside a powerful neighbour and pursue an independent policy in the face of pressures from across the border.

In recent years, Burma's policy of nonalignment or neutrality has been in evidence in her relations with the neighbours, within the broad framework of her traditional policy of good neighbourliness. The best example of Burma's neutrality stance has been her refusal, as mentioned earlier, to join ASEAN. Despite a visible sign of tilt in Burma's attitude towards ASEAN since 1972, she remained uncommitted to the grouping in conformity with her declared policy of not to be aligned with any communist or non-communist bloc. Burmese neutrality has also been exemplified



by her somewhat strained relations with India during the early 80s. Burma took exception to India's support to the Soviet position in Kampuchea in 1980 as well as to India's refusal to protest against the Russian invasion in Afghanistan.<sup>22</sup>

Burmese neutrality was infringed by the bombing of the visiting South Korean (ROK) Presidential party in Rangoon on 9th October 1983. This incident resulted in the deaths of 4 ROK Cabinet Ministers, several senior Presidential advisors and a number of officers and journalists. By waiting until the evidence was clear and then acting decisively to break relations with North Korea, while at the same time refusing to be drawn into East-West politics the Burma reinforced its nonaligned credentials.

#### **Imperatives of Political Economy**

Burma had remained neutralist in foreign political relations, but essentially isolationist in economic relations, causing foreign economic support to deteriorate. However, during the second phase of military rule, it was increasingly realised, that Burma's growing security consideration and her policy of neutralism should not undermine the importance of external assistance in any way. Hence, the transfer of power to a constitutional government in 1974 coincided with a policy of seeking large scale financial and technical assistance from abroad. The country has since been moving towards a new liberalised economic policy and became more receptive to international aid. Economic necessity impelled the Burmese government to turn to the World Bank in 1972 and to join the Asian Development Bank (ADB) in 1973, both representing new policy twists for the "Burmese Way to Socialism". In 1974, Burma received two loans from the ADB, amounting to \$ 16 million.<sup>23</sup> Similarly in 1974, the IDA extended two loans to Burma approximating

22. K. Bandopadhyaya, *op. cit.*, p. 188

23. "Letter from Rangoon," *Far Eastern Economic Review*, 27 Sept, 1974, p. 78.



\$ 41 million. In 1973 Burma made arrangement with the IMF for receiving US \$ 16 million in "Special Drawing Rights" (SDRs) for improving her balance of payments position. In the same year, she received US \$ 15 million assistance from the UN Development Programmes for the five year period of 1973 to 1977. In addition to all these, Burma also continued to receive financial assistance from friendly nations like Japan, FRG, India, Britain and to some extent from USA and the USSR. In 1976-77 total foreign loans and grants received by Burma approximated *kyats* 798 million, compared with *kyats* 530 million in 1973-74.<sup>24</sup> The big increase was due to an internal policy change in 1975-76 by which Burma started taking loans and grants from international bodies like IMF, the World Bank and ADB. In 1976 Aid-Burma Consultative Group was formed under the auspices of the World Bank, intended to provide foreign exchange for development projects.

Thus it is obvious that even under the emerging situation of big power conflict in Southeast Asia, Burma has so far been successful in maintaining her national security, while simultaneously keeping her door open for selective foreign economic assistance, through the pursuit of a truly nonaligned foreign policy. The country's ability to keep its problems out of the international limelight can be regarded as a strong point for the government which follows a policy of economic self-sufficiency coupled with a carefully nurtured neutrality in foreign affairs. But this has had some serious drawbacks. Burma's level of economic achievement scarcely matches the many natural advantages that it enjoys. It has enormous potential for development with natural and human resources rivalling those of its ASEAN neighbours. The need of the future for Burma is to introduce major changes in the domestic economic policy including a shift from import substitution and to export oriented industrialisation. Despite a substantial increase in exports of rice and growing production of oil and exploitation

24. *Asia Yearbook, 1978*, Far Eastern Economic Review, p. 140



and export of timber, Burma's non-petroleum mineral resources are yet to be tapped. In the 1930s Burma was an exporter of tungsten, lead, tin, copper nickel, antimony, silver and gemstones. Today mineral production is less than a tenth of pre World War II levels.<sup>25</sup> Burmese exports of most products are in the doldrums. Rice makes up 53% of exports, but increases here have been a sluggish 1-2% over the past few years. The next highest export item is teak and

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*Burma has so far been successful in maintaining her neutrality and national security despite opening her door for selective foreign economic assistance.*

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teak goods accounting for 27% of foreign sales. But felling has failed to increase substantially, with exports of 780 tonnes in 1984-85, compared with 630 tonnes the previous year. Other export commodities are mainly minerals—lead, copper, nickel, zinc and precious stones.<sup>26</sup> Burma, with a central policy of not living beyond its means, has a proud record of paying its debt on time. However, the country is now severely strapped for foreign exchange. With soft world markets for its mainly commodity based exports and a debt service ratio now unofficially estimated to be nudging an intolerable 45%, foreign analysts are predicting a government request for major rescheduling within two years. Burma's external debt is approaching US \$3 billion, up by at least by US \$200 million from 1984.<sup>27</sup> This is not a substantial sum by international standards, but in the context of Burma's abiding theme of remaining self-sufficient, it is a serious problem.

The solution of Burma's economic problems can be found in rapid expansion in all sectors. If Burma decided to embark on a major industrial programme to go forward economically, the first

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25. Uma Shankar Singh, "Burma's Isolation, Signs of Change", *Focus*, Vol. 1, No-6, June 1980, p. 27.

26. *Far Eastern Economic Review*. 12 September, 1985, p. 28

27. *ibid*, p. 28



problem the country would face is the source of finance for ambitious projects. Burma could borrow from abroad, but under Ne Win, the nation's planners cannot consider borrowing from private sources. Thus far, aid has been accepted only from multinational organisations like the World Bank, or from other states on a bilateral or a multilateral basis.<sup>28</sup> Commercial loans remained out of question. However, with current woes afflicting the Burmese economy, whether or not the government should borrow and invest in manufacturing in order to broaden its economy requires major decisions. Ne Win's strong aversion to foreign private investors and banks makes it unlikely that Burma will move in that direction while he is in command. It is also unlikely that he will approve of changes like the creation of free trade or industrial zones open to foreign firms because this might lead to insidious comparison between capitalist and socialist industrial development.<sup>29</sup>

### Leadership Changes

As Burma faces crucial and difficult problems in the form of a stagnating economy and an endless war against ethnic and political insurgents, one big unresolved issue is that of leadership succession. In Burma today, there is no individual leader with the stature to match Ne Win's who has remained in a pivotal position of Rangoon government in one form or another since the caretaker government of 1953.

Considering his advancing age and the need for smooth transition of leadership in Burma, Ne Win stood down as President in 1981 and appointed San Yu as President. However Ne Win retained the more influential post of the Chairman, of Burma Socialist Programme Party (BSPP). In August 1985, by appointing President San Yu to the new position of party vice-chairman, Ne Win had

28. Josef Silverstein, "Burma: A Time for Decision", *Current History*, December 1984, p. 425

29. *ibid*, p. 425



effectively and unambiguously named his heir apparent. Although San Yu, by no means can aspire to fill Ne Win's shoes in terms of the latter's strength of personality and charisma, there is now little question that he will fill the number one position after the Chairman. However, since San Yu has long been regarded as a loyal and obedient subordinate to Ne Win and has been surrounded by other like-minded senior officials Ne Win's immediate legacy is likely to be a collective leadership. Real power in Burma as is the case in other countries with socialist system lies with the party rather than the state apparatus. And in the pecking order of power, after Ne Win and San Yu there is Aye Ko, re-elected as party general secretary, followed by Sein Unin, re-elected as joint general secretary—all former generals and in their sixties. This collective leadership immediately after Ne Win is unlikely to be more than transitional. What will follow after this period of transition is the vital question facing Burma. U Nu, the leader of constitutional democracy in Burma, is back in the country but seems uninterested and is too elderly to take the onerous task of national leadership. And it is unlikely that high military authorities would allow him to do so. Other civilian politicians from previous government seem unacceptable to the high authorities. Most likely, leadership will come from the military. Having controlled, co-opted, or closed other avenues of mobility, the real and potential sources of power rest in their hands. The BSPP is dominated by retired army officers. Over the years these people have risen to high positions in the party and have become rivals of active military officers. There was a major purge of the party in 1976, and 50,000 members were dropped; among those purged were many of its leaders. Rival factions may still exist below the surface in the party. In a power struggle they might emerge and seek to unite with factions in the armed forces in order to seize power.<sup>30</sup> The present group of younger senior officers entered the armed forces after independence and gained their positions through service in combat and administration. There also have been

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*ibid.* p. 425



indications that among the younger officers, majors and below, there is a division between those who would like to see the military return to its professional role and leave politics to the civilians and those who would like to see the present multiple role of the military continue.<sup>31</sup> This complex scenario suggests that Burma in the years ahead, when it moves from the charismatic leadership of the Ne Win and the generation of those who were involved in the pre-World War II independence struggle to those who have risen to prominence on the basis of their post independence work, is likely to face, more rather than less, difficulties. In all likelihood until the question of leadership is settled, all other questions facing Burma will remain open.

### CONTINUITY AND CHANGE

The making of foreign policy is generally marked by the dual process of continuity and change. On the one hand, foreign policy being rooted in the country's traditions and ways of thinking, is characterised by continuity. On the other hand, by its very nature, it is a constantly changing policy, for the world is not static but dynamic and everchanging, and any country's foreign policy, in order to be successful, must adapt itself to these changes. In studying Burma's foreign policy it has been clearly demonstrated that both the elements of continuity and change went hand in hand, with the former, of course being much stronger than the latter.

In Burma, there has been no change in the broad framework of neutralist foreign policy, starting from the period of constitutional democracy through the military rule to the constitutional rule of Ne Win. The pattern of neutrality in the great power struggles, was set within two years after independence and has been a continuing policy of each regime. The country as we have seen tried to maintain neutralism and nonalignment in the face of major challenges.

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31. *ibid*, p. 424



In the years ahead, its foreign policy direction may continue to be to maintain friendly relations with all the countries as it has been doing. Although the country has formally ceded membership in the nonaligned movement, it continues and in all likelihood would continue to practice an independent foreign policy. Burma's neutralism, has, however paid valuable dividends. For more than thirty years, the Burmese army has been conducting counter insurgency operations

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*Within the broad framework of continuity in Burma's foreign policy, there were also elements of change and this was to adapt to the changing international environment.*

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against rebel ethnic minorities and other political dissidents. But these conflicts have remained insulated from the international tension and confrontation as distinct from most of its Southeast Asian neighbours over the past two decades. By being neutral and nonaligned, Burma received foreign assistance from not any particular bloc but from all the major donors of the world.

The broad characterization of Burmese foreign policy as strictly neutral however does not do justice to the complexity of the Burmese position which within the overall neutralist position has adapted itself to both internal and external stimuli. Thus within the broad framework of continuity in Burma's foreign policy, there were also elements of change and this was to adapt to the changing international environment and needs of the day to safeguard the country's national interest.

Another feature of continuity in Burma's foreign policy has been its relations with China. For obvious reasons, Burma's relations with China loomed large throughout the history of its foreign policy. Although there were ups and down in their relations, Burma has had to consider carefully the sensitivities of the People's Republic of China (PRC) because of its long indefensible border and China's support to



the Burma Communist Party (BCP) insurrection and the economically significant Chinese minority in Burma. Her foreign policy is likely to be guided by concern for China and Burma at no cost would risk deterioration of this important relation. It should also be noted that Burma's China policy has aptly demonstrated how a small and weak nation can, despite all odds, manage to live with a huge neighbour preserving independence with dignity.

For Burma, as we have seen earlier, one of important determinants of foreign policy has been the political economy of the country. The course of Burma's foreign relations was determined to some extent by their domestic ideology of economic nationalism. When applied to external affairs, economic nationalism called for a minimum of foreign aid and funds. While such a policy has been successful in keeping down influences, both in economic and political terms, to an exemplary limit, Burmese economic regimentation has also accounted in great measure for many of the economic woes that afflict the country.

To correct these and to accelerate the pace of economic growth in the longer term, there is a pressing need for the long-ruling socialist regime to relax its xenophobic closed door policy and open the country to foreign technology and capital to tap its rich and largely unexploited natural resources. After 24 years of Ne Win's leadership Burma is still plagued by some of the problems he inherited from his predecessors as well as those he created. And it is doubtful whether any significant change can be expected in the above direction as long as Ne Win is alive and in control of events in Rangoon. Most observers agree that after he goes, the new leadership might become more pragmatic. Clearly, they will face pressing issues and if they try to continue along the path Ne Win laid out, economic decline and internal warfare are likely to continue to plague the nation. If, on the other hand, the forthcoming leadership would be bold enough to bring in some major changes commensurate with the imperatives of the country's internal socio-politico-economic dynamics in the form of more open-door and forward-looking politico-economic



external posture, Burma may hope to usher in a new era of transition. This is not necessarily to suggest a departure from its commitment to nonalignment and independent foreign policy posture but to indicate that through greater interaction and interdependence with the world beyond its frontiers at the cost of a xenophobic isolationism, Burma has perhaps much more to benefit than to lose.