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COMMENT

Myanmar: sanctions won't work.

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The long saga of failed sanction regimes against Cuba, Haiti and Iraq - where sanctions gravely worsened an already bad situation - should give pause to the US and European political establishments. The US Congress recently voted overwhelmingly for a one-year extension to economic sanctions against Myanmar (Burma). In this context, sanctions are mainly a symbolic stand for justice. But they are not symbolic in their effects. They are economically destructive and only occasionally politically productive.

America's misguided sanctions against Myanmar, for example, have done nothing in the past year to resolve the country's political and economic crisis. A smarter policy toward Myanmar is needed. The military regime and the National League for Democracy (NLD) headed by Aung San Suu Kyi, the Nobel peace prize laureate, are stuck in an impasse. Sanctions are supposed to tilt the political balance towards Ms Suu Kyi, but have failed throughout their off-and-on application over nearly 15 years. In the process, they have systematically weakened the economy by limiting trade, investment and foreign aid. Yet weakening a country's economy does not necessarily weaken a regime relative to its political opposition. Often, the impasse is merely deepened. Civil society and the political opposition suffer from brain drain, a squeeze on financial resources and reduced contacts with the outside world, while the regime is able to blame foreign meddling for policy mistakes. Hardliners on both sides, meanwhile, gain the upper hand over moderates, blocking changes that might otherwise be encouraged.

A smart policy for Myanmar would start by recognising some realities. The country is a complex melange of more than 100 ethnic groups. The British imperial government that ruled Burma from 1886 to 1948 pursued a policy of divide and rule, discriminating against the dominant Burmese in favour of selected minority groups. These invidious policies led to intense distrust between the different ethnic groups on independence in 1948. The consequences were worse than in other post-colonial settings. Burmese independence was followed by decades of armed insurrection by at least 18 ethnically based armies. The insurgents often funded their activities through narcotics trafficking. The situation was exacerbated when Ne Win, Burma's ruthless and incompetent dictator, thrust the country into radical isolation under his supposed "Burmese way to socialism" drive in 1962.

The socialist disaster finally fell to a military coup in the late 1980s that installed the current regime. By then, Myanmar, which had been economically level with its neighbours in the 1950s, had fallen far behind. But the military regime began to open the country to trade and liberalise markets and in 1997, Myanmar joined the Association of Southeast Asian Nations. The domestic political situation, however, continued to suffer from the regime's crackdown on the opposition following the NLD's election victory in 1990. The military saw those elections as the start of a constituent assembly to write a new constitution. Ms Suu Kyi viewed the NLD's landslide victory as an immediate mandate to govern. The regime annulled the election results and moved against the NLD.

For the past 14 years, US foreign policy has remained fixed on the clash between the regime and the NLD. Yet there has been some internal progress. The government successfully negotiated an end to 17 of the 18 major armed insurrections. It has also skilfully negotiated with thousands of peasants to cut poppy cultivation and shift to alternative crops, cutting narcotics production by about 75 per cent over just a few years. Finally, the government has attempted to address poverty, in part through investments in infrastructure. Yet without access to international aid, these efforts have fuelled inflation and macroeconomic instability. Sanctions have also helped crush an incipient manufacturing export sector with resulting significant job losses.

It is time for the west to look to Myanmar's next elections, not backward to 1990. Sanctions should be lifted because they do not work. All parties should be encouraged to look for step-by-step change. In Poland's smooth transition from communism, for example, the popular Solidarity movement judiciously agreed to several years of power-sharing with the Communist regime. Myanmar could start on such a constructive path with Ms Suu Kyi's release from house arrest and the NLD's agreement to a gradual political opening and participation in the current constitutional convention.

The US and Europe should listen more closely to Myanmar's neighbours, which are keen for Yangon to consolidate the delicate peace processes and create a dynamic of political accommodation under a new constitution. Lifting sanctions and giving aid to fight poverty and disease would not be a concession to power - but steps towards democracy and prosperity.

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