

# Japan and the Myanmar Stalemate: Regional Power and Resolution of a Regional Problem

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## **Abstract**

For years Myanmar has been caught in a political stalemate generated both by deadlock between the military government and the democratic opposition, and by polar differences between China and the United States. In searching for ways forward, analysts might therefore want to look beyond these dominant actors. This article considers the contribution that a regional power, Japan, could make to political change. It examines first political stalemate in Myanmar, second Japan as a regional power, third Japanese engagement with Myanmar, fourth Japan and resolution of the Myanmar problem, and fifth future possibilities. The argument is that strong historical ties and good relations inside and outside Myanmar put Japan in a pivotal position. As part of its reassurance diplomacy in East Asia, Japan should take the lead in tackling this regional problem.

Since a May 1990 general election that saw the National League for Democracy (NLD) secure a landslide victory and the ruling State Law and Order Restoration Council (SLORC) respond by reinforcing its dictatorship, Myanmar has been in political stasis. Although progress has been made on some fronts, notably in relations between the State Peace and Development Council (SPDC), as the military junta is now known, and the insurgent rebel armies with which it long fought civil wars, the uneasy political deadlock that settled on the country some 15 years ago has not been broken. Furthermore, within a complex internal context, the standoff between the two major protagonists from 1990 remains critical. Now, as then, the NLD, brandishing democratic legitimacy, charismatic leader Aung San Suu Kyi and latent popular support, confronts the military junta, wielding guns, power, and fear.

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Political deadlock inside Myanmar is replicated in key parts of its external environment. When military repression became a major theme of internal politics, the response of the United States and its allies was to turn to sanctions. Among Myanmar's close neighbors, by contrast, some form of engagement with the junta was always the preferred strategy. From the start, China was particularly active in supporting and sustaining military rule. Again, there have been changes. Over time, Australia, Canada, and a number of European Union member states have voiced growing doubts about the effectiveness of sanctions. Some of Myanmar's partners in the Association of Southeast Asian Nations (ASEAN) have issued condemnations of the junta's most public human rights abuses. Overall, however, little has altered. The US now has a tough sanctions regime. Many of its allies have rather weaker ones. China is playing a considerable role inside Myanmar. The ASEAN states plus Japan and India are conducting various forms of 'constructive engagement'.

Within this environment, two elements are especially important in generating stalemate. One is the extreme and uncompromising positions staked out by the US and China, the dominant powers in East Asia. For Washington, engagement with Yangon is not possible until the result of the 1990 general election has been fully respected, and the NLD installed in power. For Beijing, dealing with Myanmar's generals raises few qualms, and business is entirely usual. The other is the limited attention paid to Myanmar by these two powers. For neither the US nor China is this political crisis a first-rank issue within East Asia. Rather, for both it falls into at best the second tier, behind matters like nuclear proliferation on the Korean peninsula, tension across the Taiwan Strait, and terrorist mobilization in Southeast Asia.

The result is that the Myanmar stalemate is no more than a marginal item on the international political agenda. Indeed, for Washington sanctions increasingly operate as cover for official inaction and neglect, creating a platform for speeches that effortlessly capture the moral high ground and simultaneously release the administration from any responsibility to examine actual consequences either for Myanmar or for the US itself. The Chinese case is rather different. Here military and economic support for the junta has paid handsome strategic dividends. There is no pressing reason for the leadership to review a policy that is certainly good for China, and may even benefit Myanmar. However, as Beijing's current policy is also doing little to break the political deadlock, it is unlikely to be sustainable in the long term.

One question that therefore arises is the role regional powers might play in brokering a solution to Myanmar's core political problem. Could a second-tier power take the lead in tackling this second-rank issue? To answer this question, the article focuses on Japan. While Tokyo has long favored engagement over sanctions and has consistently maintained good relations with all key players inside Myanmar, it has also been a more robust critic of the military junta than many other East Asian states. It has thereby carved out a distinctive position on the spectrum of international responses to Yangon. It is possible that, in looking for ways to resolve Myanmar's political deadlock, Japan offers one of the best hopes.

To explore this possibility, the rest of this article is divided into five sections. The first looks in more detail at internal and external dimensions of political stalemate in Myanmar. The second examines Japan as a regional power. The third analyzes Japanese engagement with Myanmar. The fourth considers the role Tokyo might play in resolving the Myanmar issue, focusing on strategy plus relations with the US, China, ASEAN and India. The fifth is a brief conclusion. The basic premise is that political progress in Myanmar is most likely to take place in a supportive external environment, characterized by some measure of international consensus on ways forward. The argument built on this premise is that when East Asia's dominant powers are positioned at the poles of debate, and in any case pay little attention to Myanmar, analysis must shift to other actors. Japan is well positioned because it has strong historical ties and good working relations with major protagonists in the current standoff. It also has a critical triangular relationship with the US and China, and is gradually extending the frontiers of its reassurance diplomacy in East Asia. As a regional power, Japan should take the lead in addressing this regional problem.

### **Political stalemate in Myanmar**

Inside Myanmar, political stalemate is most clearly a product of the military junta's reaction to mass democracy protests in 1988 and the NLD's subsequent victory in the 1990 general election. However, the conditions for deadlock were obviously set earlier. From the moment of independence in January 1948, one critical aspect of internal politics was the failure of any party or faction to stamp definitive authority on the country as a whole.<sup>1</sup> Contending groups fought for advantage not only on the national stage, but also within ethnic regions in hills and mountains surrounding the central Burmese plain.<sup>2</sup> A military coup implemented in March 1962 did enable an effective consolidation of power to take place, and meant that soldiers became key state builders.<sup>3</sup> However, the idiosyncratic and catastrophic rule of long-term dictator General Ne Win ensured that over time military rule became increasingly contested. When matters came to a head in the long middle months of 1988, the response of the military elite was to order brutal suppression of the pro-democracy movement and to install in office a formal military junta. Since the cataclysmic events of September 1988, the junta has reinforced the structural underpinnings of its dictatorship, notably by boosting the

<sup>1</sup> Josef Silverstein, *Burma: Military Rule and the Politics of Stagnation* (Ithaca: Cornell University Press, 1977). David I. Steinberg, *Burma: The State of Myanmar* (Washington, DC: Georgetown University Press, 2001).

<sup>2</sup> Martin J. Smith, *Burma: Insurgency and the Politics of Ethnicity*, revised edition (London: Zed Books, 1999).

<sup>3</sup> Mary P. Callahan, 'Burma: Soldiers as State Builders', in Mutiah Alagappa (ed.), *Coercion and Governance: The Declining Political Role of the Military in Asia* (Stanford, CA: Stanford University Press, 2001), pp. 413–29.

numerical strength of the armed forces.<sup>4</sup> During the same period, politics within the country has become polarized.<sup>5</sup>

The current situation should not be caricatured. On one side, the SPDC does not command an entirely monolithic repressive structure, and can point to something of a popular support base.<sup>6</sup> On the other, the NLD is not wholly united behind the pro-sanctions strategy espoused by Aung San Suu Kyi. Furthermore, beyond both the SPDC and the NLD there are significant ethnic actors, frequently funded by the narcotics trade. Nevertheless, there is a clear sense of two major political forces facing off against each other. As they do so, conditions inside Myanmar remain bleak. Since the start of economic liberalization in the late 1980s, some foreign investment has flowed into the country.<sup>7</sup> In addition, the military junta has supervised construction of a number of major infrastructure projects, mainly having either strategic importance or tourism potential. Nevertheless, life for ordinary citizens is often abysmal.<sup>8</sup> On all too many occasions during the past 15 years, miscalculations on the part of both the SLORC/SPDC and the NLD have heightened tension, intensified polarization, and contributed to stalemate.<sup>9</sup>

Somewhat paradoxically, a further contribution to Myanmar's political stasis has been the junta's success since the late 1980s in arranging ceasefires with insurgent ethnic armies, following the collapse of the Communist Party of Burma.<sup>10</sup> In many regions, bilateral truces have seen power, and narcotics profits, effectively parceled out between the two opposing sides. In one respect, there is clear progress here. In another, however, ceasefires merely codify, in a rather loose fashion, the division of power established between the military government on the one hand, and ethnic rebel groups on the other. Eventually real progress, embodied in full political settlements, will need to be registered throughout the border regions.<sup>11</sup>

<sup>4</sup> Andrew Selth, *Burma's Armed Forces: Power without Glory* (Norwalk, CT: EastBridge, 2002).

<sup>5</sup> Jalal Alamgir, 'Against the Current: The Survival of Authoritarianism in Burma', *Pacific Affairs*, 70 (3) (1997): 333–50.

<sup>6</sup> Mary P. Callahan, 'Cracks in the Edifice? Military-Society Relations in Burma since 1988', in Morten B. Pedersen, Emily Rudland and Ronald J. May (eds), *Burma Myanmar: Strong Regime Weak State?* (Adelaide: Crawford House, 2000), pp. 22–51. Ardeth Maung Thawngmung, *Behind the Teak Curtain: Authoritarianism, Agricultural Policies and Political Legitimacy in Rural Burma* (New York: Columbia University Press, 2003).

<sup>7</sup> Stephen McCarthy, 'Ten Years of Chaos in Burma: Foreign Investment and Economic Liberalization under the SLORC-SPDC, 1988 to 1998', *Pacific Affairs*, 73 (2) (2000): 233–62.

<sup>8</sup> Helen James, 'King Solomon's Judgment', in John H. Badgley (ed.), *Reconciling Burma/Myanmar: Essays on US Relations with Burma*, *NBR Analysis*, 15 (1) (2004): 55–66. Kyaw Yin Hliang, 'Will Western Sanctions Bring Down the House?', in Badgley (ed.), *Reconciling Burma/Myanmar*, pp. 73–85.

<sup>9</sup> David I. Steinberg, 'Burma/Myanmar: A Guide for the Perplexed?', in Badgley (ed.), *Reconciling Burma/Myanmar*, pp. 41–54.

<sup>10</sup> Smith, *Burma*.

<sup>11</sup> Seng Raw, 'The Role of Minorities in the Transitional Process', in Badgley (ed.), *Reconciling Burma/Myanmar*, pp. 67–72.

As is to be expected, several attempts have already been made to break Myanmar's political deadlock. In particular, the military junta has partnered repression and periodic arrest of NLD leaders with tentative political initiatives designed to draw the opposition into some form of disciplined quasi-democracy. In the early 1990s, the most significant step was a National Convention charged with drawing up a constitution to replace the one abrogated in September 1988. However, after the NLD withdrew its participation in 1995, complaining of bad faith on the part of the military junta, the Convention was suspended in 1996. Only in August 2003 did a revival become possible. Then incoming Prime Minister General Khin Nyunt issued a seven-point 'roadmap' for political reform, and invited the various parties to return to the table. However, as the junta had in May 2003 launched a violent attack on an NLD motorcade, and placed Aung San Suu Kyi under renewed house arrest, the chance that political stalemate might be overcome was small. In the event, the Convention reconvened in May–July 2004 and February–March 2005 without NLD participation because Aung San Suu Kyi and other top party leaders remained in detention. Its status was placed in doubt when General Khin Nyunt was purged from the military junta in October 2004 and jailed for 44 years on corruption charges. Despite assurances from head of state Senior General Than Shwe that the Convention will be allowed to continue its deliberations, the possibility that a full political settlement will be reached is limited.

At the end of a decade and a half of stasis, there are of course differing assessments of the present situation, and predictions about what the future might hold.<sup>12</sup> Relations between the junta on the one hand and leading opposition groups such as the NLD and major ethnic minority parties on the other are properly held to be particularly important. However, no matter what happens to these central political relationships, it would be rash after such a long period to contend that Myanmar has sufficient internal resources to break its political deadlock. Rather, it seems likely that external actors will have to play a critical role in any reformist initiative, and will need to be as supportive as possible if it is to succeed in setting the country on a new political course.

Attention must turn, then, to Myanmar's complex external environment.<sup>13</sup> There the positions taken by the two major powers have over time become more divergent and fixed in place. The US and China have thereby reinforced political stalemate, taking almost to the extreme the poles of a debate along which lesser powers are positioned. As things currently stand, neither Washington nor Beijing appears likely to make any

<sup>12</sup> Ardeth Maung Thawngmung, 'Preconditions and Prospects for Democratic Transition in Burma/Myanmar', *Asian Survey*, 43 (3) (2003): 443–60.

<sup>13</sup> Josef Silverstein, 'Burma and the World: A Decade of Foreign Policy under the State Law and Order Restoration Council', in Robert H. Taylor (ed.), *Burma: Political Economy under Military Rule* (London: Hurst, 2001), pp. 119–36. Jürgen Rüländ, 'Burma Ten Years after the Uprising: The Regional Dimension', in Taylor (ed.), *Burma*, pp. 137–58. John H. Badgley, 'Strategic Interests in Myanmar', in Badgley (ed.), *Reconciling Burma/Myanmar*, pp. 13–27. Robert H. Taylor, 'Myanmar's Political Future: Is Waiting for the Perfect the Enemy of Doing the Possible?', in Badgley (ed.), *Reconciling Burma/Myanmar*, pp. 29–40, 87.

accommodation with the other, and deadlock at the most critical level of Myanmar's external environment seems set to continue.

In the US, Myanmar's political development has been read chiefly in ideological terms, with suppression of democracy and human rights abuse at the top of the agenda.<sup>14</sup> Justifiably, annual State Department human rights reports point to appalling contemporary conditions.<sup>15</sup> Global bodies such as Amnesty International, Human Rights Watch and the International Labor Organization provide similar accounts.<sup>16</sup> Although hints of a change of tack have occasionally been given, the overall policy trajectory has thus seen sanctions periodically reinforced. Important steps were taken in May 1997, when a ban on new investment was imposed by the Clinton administration, and in July 2003, when an outlawing of all trade with Myanmar was implemented by the Bush administration.<sup>17</sup> Since the late 1980s, the US has been the junta's principal external detractor, even making legal provision for condemnation of it.<sup>18</sup>

For China, the events of 1988–90 coincided with a difficult phase in the process of opening up and reform. Although the path of dynamic economic growth had clearly been taken, the 1989 democracy movement and the June 4 Tiananmen massacre significantly disrupted foreign relations. With the Myanmar junta also facing international condemnation and isolation after its suppression of democracy in September 1988, Beijing was presented with an ideal opportunity to extend its influence in Southeast Asia. Since the late 1980s, it has been the main external supporter of the junta, supplying it with considerable military and economic resources. From 1990 to 1998 alone, Beijing is reported to have made available to Yangon nearly \$2 billion worth of arms, including fighter aircraft, radar equipment, naval patrol boats, heavy artillery, main battle tanks, anti-aircraft missiles, guns and ammunition.<sup>19</sup>

Within the overarching external framework created by the US and China, the positions of secondary powers have been both more malleable and, ultimately, more close.<sup>20</sup> Although most major US allies initially looked to sanctions, key players

<sup>14</sup> Morten B. Pedersen, 'The Crisis in Burma/Myanmar: Foreign Aid as a Tool for Democratization', in Badgley (ed.), *Reconciling Burma/Myanmar*, pp. 87–101.

<sup>15</sup> US Department of State, 'Country Reports on Human Rights Practices 2004: Burma', 28 February 2005. Accessed 16 June 2005 at <<http://www.state.gov/g/drl/rls/hrrpt/2004/41637.htm>>.

<sup>16</sup> Amnesty International, 'Myanmar: 1988 to 1998: Happy 10th Anniversary? A Chronology of Events'. Accessed 16 June 2005 at <<http://web.amnesty.org/library/index/ENGASA160141998>>. Human Rights Watch, 'World Report 2005: Burma'. Accessed 16 June 2005 at <<http://hrw.org/english/docs/2005/01/13/burma9826.htm>>. International Labour Organization, 'A Global Alliance against Forced Labour', June 2005. Accessed 16 June 2005 at <[http://www.ilo.org/dyn/declaris/DECLARATIONWEB.DOWNLOAD\\_BLOB?Var\\_DocumentID=5059](http://www.ilo.org/dyn/declaris/DECLARATIONWEB.DOWNLOAD_BLOB?Var_DocumentID=5059)>.

<sup>17</sup> US Congress, 'Burmese Freedom and Democracy Act of 2003'. Accessed 16 June 2005 at <<http://www.theorator.com/bills108/hr2330.html>>. US Department of State, 'Burmese Freedom and Democracy Act of 2003 and Executive Order'. Accessed 16 June 2005 at <<http://www.state.gov/p/eap/rls/rm/2003/22851.htm>>.

<sup>18</sup> Ian Holliday, 'Rethinking the United States' Myanmar Policy', *Asian Survey*, 45 (2005), forthcoming.

<sup>19</sup> Mohan Malik, 'Burma's Role in Regional Security', in Pedersen *et al.* (eds), *Burma Myanmar*, pp. 241–77, 246–54.

<sup>20</sup> Badgley, 'Strategic Interests in Myanmar'.

established distinctive positions. By the mid-1990s, for instance, both Australia and Japan had concluded that sanctions alone could not work, and that some form of engagement with the military junta would have to take place. In the EU, which imposed relatively weak sanctions, a number of states, led by France, have also expressed reservations.<sup>21</sup> Among ASEAN states, although early reactions to the events of 1988–90 were varied, they coalesced over time around some form of constructive engagement, laced with occasional condemnation of specific abuses.<sup>22</sup> Singapore, Malaysia, and Thailand have made major investments in hotels, shopping malls, and transportation directed at the tourist trade. These three states plus Indonesia have invested in garment factories. Thailand, Malaysia, and the Philippines have invested in resource extraction industries.<sup>23</sup>

Currently, then, the two big players both internally and externally hold positions on Myanmar's short- and medium-term political development that are highly divergent. In the critical external environment, the positions taken by lesser powers fall somewhere between the poles established by the US and China, and are tending to converge. The issue thus becomes whether any player in the second tier can act to bridge the gulf that separates the players in the first tier.

### Japan as a regional power

For several reasons, the focus in this article is on Japan. While not itself a major power with strategic influence throughout East Asia, Japan has an increasingly important regional presence.<sup>24</sup> Furthermore, it forms part of a critical triangular relationship with the two powers that do dominate what Buzan calls the East Asian security complex.<sup>25</sup> This complex has deep historical roots, but has emerged more fully in the post-Cold War period, driven by three shared developments across Northeast and Southeast Asia: concern about the resurgence of China; institutionalization of security connections; and creation of a regional economy.<sup>26</sup> Inside the triangular relationship that stands at its apex, Tokyo's relationship with Washington is easily the most important bilateral link, and remains fundamental to regional security.<sup>27</sup> Although Tokyo's relationship with Beijing has always been more problematic, and is

<sup>21</sup> Morten B. Pedersen, 'International Policy on Burma: Coercion, Persuasion, or Cooperation? Assessing the Claims', in Pedersen *et al.* (eds), *Burma Myanmar*, pp. 195–240, 198. Silverstein, 'Burma and the World', p. 127.

<sup>22</sup> John Bray, *Burma: The Politics of Constructive Engagement* (London: Royal Institute of International Affairs, 1995).

<sup>23</sup> Steinberg, 'Burma and the World', p. 129.

<sup>24</sup> Takashi Inoguchi, 'Japan Goes Regional', in Takashi Inoguchi (ed.), *Japan's Asian Policy: Revival and Response* (New York: Palgrave Macmillan, 2002), pp. 1–34.

<sup>25</sup> Jane Skanderup (ed.), 'US–Japan–China Relations: Reducing Frictions and Improving Cooperation', *Issues and Insights*, no. 5–02 (Washington, DC: Center for Strategic and International Studies, 2002).

<sup>26</sup> Barry Buzan, 'Security Architecture in Asia: The Interplay of Regional and Global Levels', *Pacific Review*, 16 (2) (2003): 147–73.

<sup>27</sup> G. John Ikenberry and Takashi Inoguchi (eds), *Reinventing the Alliance: US–Japan Security Partnership in an Era of Change* (New York: Palgrave Macmillan, 2003).

currently deteriorating, it continues to function through high-level exchanges, security dialogue, and joint participation in a series of regional fora. Moreover, while the third bilateral relationship, between Washington and Beijing, was considerably strengthened after the September 2001 terrorist strikes on the US and Chinese support for the new war on terrorism, it retains some of the tensions visible from 1989 to 2000.<sup>28</sup> Tokyo thus has some room for maneuver in shaping policy within the East Asian security complex.

To assess how it might act, and to evaluate possibilities for Japanese involvement in resolution of Myanmar's political stalemate, it is necessary to examine a grand strategy that has long posed interpretive problems for analysts. In the realist tradition, it was confidently predicted that the world's number two economic power would quickly build a security apparatus to match its booming financial status.<sup>29</sup> When that patently failed to happen, attention turned to explaining this pacifist outlier among advanced contemporary states. Many variants of the realist thesis were put forward, and competing explanations from outside the tradition also surfaced. The most plausible line of argument, and the one on which this article draws, is Midford's elaboration and application of Walt's neorealist balance-of-threat theory.

'Since the end of the cold war, if not before', Midford notes, 'Japan has confounded neo-realist logic and predictions.' In particular, the expectations expressed by Waltz and Layne, 'that Japan would develop nuclear weapons, seek strategic independence, and even balance against the United States . . . have confronted an overwhelming lack of evidence.'<sup>30</sup> However, rather than join other scholars in exploring mercantilist realism or neorealist culturalist approaches, Midford argues that the best alternative to balance-of-power realism is Walt's balance-of-threat theory, reinforced by a stronger conception of the logic of reassurance drawn from social psychological propositions found in attribution theory.

To the balance-of-power theory insight that states respond to imbalances of power and balance against stronger states, Walt adds the insistence that states also attend to the perceived intentions of other states. 'In short', Midford writes, 'the state does not balance merely against power, but against threat, defined as physical capabilities (including offensive capabilities as mediated by geography) plus perceived aggressive intentions.' The result is that perceived aggressor states need to reassure others about their intentions. It is here that Midford extends Walt's theory by filling in the details of a reassurance strategy. 'Most fundamentally', he argues, 'to achieve reassurance the state needs to send a costly signal, by which to communicate to another the true value

<sup>28</sup> David M. Lampton, *Same Bed, Different Dreams: Managing US-China Relations, 1989-2000* (Berkeley, CA: University of California Press, 2001). Robert L. Suettinger, *Beyond Tiananmen: The Politics of US-China Relations, 1989-2000* (Washington, DC: Brookings Institution Press, 2003).

<sup>29</sup> Kenneth N. Waltz, 'The Emerging Structure of International Politics', *International Security*, 18 (2) (1993): 44-79. Kenneth N. Waltz, 'Structural Realism after the Cold War', *International Security*, 25 (1) (2000): 5-41. Christopher Layne, 'The Unipolar Illusion: Why New Great Powers Will Rise', *International Security*, 17 (4) (1993): 5-51.

<sup>30</sup> Paul Midford, 'The Logic of Reassurance and Japan's Grand Strategy', *Security Studies*, 11 (3) (2002): 1-43, 1.



of cooperation for the state.’ The six characteristics of costly signals are that they: (1) entail cost or risk for the actor while benefiting the observer; (2) are irrevocable; (3) are non-contingent on reciprocity; (4) are more benign than called for by the normative context; (5) are iterated over a prolonged period; and (6) are preceded by an actor’s announcement of the act (spin-doctoring).<sup>31</sup>

Turning to the Japanese case, Midford argues that decision makers fully understand the reputational problem, and in particular the Asian mistrust, that confronts Tokyo, notably as a consequence of Japanese militarism and expansionism in the 1930s and 1940s. They thus seek to reassure both the outside world, and the inside world of Japanese citizens, who are often fearful of militaristic tendencies within their own society. During the Cold War, policy makers voluntarily accepted the security alliance with the US, eschewed offensive weapons, power-projection capabilities and nuclear weapons, and pursued reassurance diplomacy in Asia, consisting of promises never again to become a military power. At the end of the Cold War, the collapse of the Soviet Union and a perceived relative decline in US power boosted Japan’s regional power and prompted Tokyo to extend its reassurance strategy. First, it sought expanded containment structures that would both enhance and visibly limit its regional security role. Policy changes were thus put in place to expand the possibilities for overseas engagement of Japan’s Self Defense Forces (SDF) within a multilateral framework. Second, it opened dialogues within Asia about regional security and Japan’s role in it.

Looking at actual policy initiatives, the August 1977 Fukuda Doctrine is widely held to mark Tokyo’s strategic policy focus on Asia, within the overarching framework provided by the security alliance with the US. In the late 1970s and 1980s, however, the principal tool of the new regional policy was large-scale overseas development assistance (ODA), partnered by active trade and investment.<sup>32</sup> Only later, around the end of the Cold War, did Japan take tentative steps to play a political role in East Asia. The critical episode was Tokyo’s three-phase involvement in the October 1991 Cambodian peace settlement.<sup>33</sup> From 1979 to 1988, Japan fell in line with ASEAN, and opposed the December 1978 Vietnamese invasion on the grounds that it could destabilize much of Southeast Asia. From 1988 to 1990, it began to part company with ASEAN and to formulate a separate initiative, chiefly because it perceived that ASEAN’s unified strategy was in any case crumbling. At this time, Tokyo worked closely with Thailand to generate a settlement. From 1990, Japan assumed an overt political role, and played an active part in settling the conflict. In the event, Tokyo lacked the decisive military, political and economic weight needed to conclude a peace settlement, and China and Vietnam stepped in to fill the gap. Nevertheless, through its involvement in the Cambodian truce, Japan had extended its security profile in East Asia.

<sup>31</sup> Midford, ‘Logic of Reassurance’, pp. 21–4.

<sup>32</sup> Makoto Iokibe, ‘ODA as a Foreign Policy Tool’, *Japan Review of International Affairs*, 17 (2) (2003): 105–27.

<sup>33</sup> Seki Tomoda, ‘Japan’s Search for a Political Role in Asia: The Cambodian Peace Settlement’, *Japan Review of International Affairs*, 6 (1) (1992): 43–60.

As the rest of the 'lost decade' of the 1990s unfolded, Japan became increasingly constrained by the economic malaise that engulfed it. However, despite an announcement in 1997 that the ODA budget would be cut by 10 percent a year for the next three years, the Asian financial crisis that struck in mid-1997 prompted Tokyo in 1998 to launch a massive emergency aid package. By 1999, Japan's ODA was at its highest level ever.<sup>34</sup> Meanwhile, Tokyo took active steps to match growing Chinese involvement in multilateral initiatives, notably through the ASEAN Regional Forum (ARF), launched in 1994, and ASEAN Plus Three, which emerged in the late 1990s and added China, Japan and Korea to the ten ASEAN states. In each case, the Japanese role was both significant and somewhat recessive. It cannot be compared with the visible regionalism and multilateralism developed by China in the course of the 1990s.<sup>35</sup> Nevertheless, it was often a critical balancing and even driving force.

All of these gradual changes in Japan's security posture are broadly in line with the reassurance propositions developed from balance-of-threat theory. Throughout, Tokyo has conspicuously limited its offensive capacity, relied heavily on multilateral institutions, and through deployment of troops for UN peacekeeping operations sought to alter perceptions of its security role. 'As a consequence, Japan has been able to lift restrictions on its military incrementally', Midford writes. Looking to the future, he argues that Japan is now in a position to extend its security profile still further. 'As Asians and Japanese become accustomed to benign overseas deployments of the Japanese SDF, they are less likely to distrust Japan's ability to wield the sword. As this happens, Japan is likely to adjust its grand strategy in order to expand its military autonomy and role.' In the process, Japan can be expected to emerge in the first two decades of the twenty-first century as a 'normal but benign military power'.<sup>36</sup>

Other analysts agree that in the new millennium Japan's foreign policy and its critical security relationship with the US will enter a period of considerable reform.<sup>37</sup> With the war-renouncing Article 9 of the Constitution still fixed in place, and unlikely to be revised in the foreseeable future, step change is not on the agenda. Nevertheless, incremental change is certainly possible, building on, for instance, summer 2003 legal revisions that enabled Tokyo to make a token, but highly symbolic, contribution to the Iraq reconstruction effort.<sup>38</sup>

### **Japanese engagement with Myanmar**

Japanese engagement with Myanmar comprises both occupation in the 1940s and substantial ODA and investment since the 1950s. Furthermore, links have frequently

<sup>34</sup> Iokibe, 'ODA as a Foreign Policy Tool', p. 107.

<sup>35</sup> Evan S. Medeiros and M. Taylor Fravel, 'China's New Diplomacy', *Foreign Affairs*, 82 (6) (2003): 22–35.

<sup>36</sup> Midford, 'Logic of Reassurance', pp. 34–43.

<sup>37</sup> Steven K. Vogel (ed.), *US–Japan Relations in a Changing World* (Washington, DC: Brookings Institution Press, 2002).

<sup>38</sup> Akio Watanabe, 'Has Japan Crossed the Rubicon? Defense Policy since the Higuchi Report', *Japan Review of International Affairs*, 17 (4) (2003): 238–54.

stretched beyond the economic and political to embrace the personal and emotional, especially in the middle decades of the twentieth century. After the signing of a formal peace treaty in November 1954, Japan allocated first reparations and then ODA to Burma. These rapidly made it the most important source of external support for the country. Indeed, through even the darkest days of 1988, Japan retained contacts with the regime, and in the wake of the democracy clampdown was prepared to resume aid projects that had been suspended in the immediate aftermath of the September coup. Writing in the early 1990s, Steinberg was thus able to conclude that Japan had established a 'pre-eminent position', marked by critical relations, vital support, and exceptional access. His evaluation was unequivocal: 'Burma has relied on the Japanese, virtually since independence.'<sup>39</sup> Today, Japan retains a leading position in Myanmar, with special ties, contacts, and influence.

In the period since the late 1980s, Tokyo's orientation toward Myanmar has been largely consistent.<sup>40</sup> Although its initial reaction to the suppression of democracy was to follow the US lead and suspend or curtail all non-humanitarian aid, Japan adopted a more Asian orientation once it was clear that attempts to build a UN consensus for sanctions against the Myanmar junta were certain to fail.<sup>41</sup> Thus, at the same time as the US ratcheted up its sanctions policy to the current level, Japan moved closer to what became the ASEAN focus on constructive engagement with the military junta. However, its policy retained a rhetorical edge rarely found in ASEAN statements. It is presented by the Ministry of Foreign Affairs as follows: 'Japan's policy is to promote democratization and human rights not by isolating Myanmar but by working patiently and persistently for improvements through ongoing dialogue with the present regime.'<sup>42</sup> This has now been Tokyo's line for many years.

In concrete terms, Japan's Myanmar policy has had five broad, interlocking strands. First, it has sought to acknowledge and reward any progress made by the regime in opening up the political process to opposition forces, frequently modulating ODA flows in response to political developments inside the country.<sup>43</sup> Tokyo therefore became more engaged with Yangon after July 1995, when Aung San Suu Kyi was released from a six-year period of house arrest and allowed to engage in political activity. It also warmly welcomed subsequent moves of this kind. Second, Japan has always tried to maintain pressure on the regime and to remind it of the need to show due respect for human rights and undertake meaningful political reform. It was therefore one of the first countries

<sup>39</sup> David I. Steinberg, 'Japanese Economic Assistance to Burma: Aid in the *Tarenagashi* Manner?', in Bruce M. Koppel and Robert M. Orr, Jr (eds), *Japan's Foreign Aid: Power and Policy in a New Era* (Boulder, CO: Westview Press, 1993), pp. 135–62, 156–8.

<sup>40</sup> Badgley, 'Strategic Interests in Myanmar', p. 19.

<sup>41</sup> Pedersen, 'International Policy on Burma', pp. 196–200.

<sup>42</sup> Ministry of Foreign Affairs of Japan, 'Japan's Position Regarding the Situation in Myanmar'. Accessed 16 June 2005 at <<http://www.mofa.go.jp/region/asia-paci/myanmar/myanmar.html>>.

<sup>43</sup> Steinberg, 'Japanese Economic Assistance to Burma.' Lam Peng Er, 'Japanese Relations with Southeast Asia in an Era of Turbulence', in Inoguchi Takashi and Purnendra Jain (eds), *Japanese Foreign Policy Today: A Reader* (New York: Palgrave, 2000), pp. 251–65, p. 256.

to issue a strong condemnation of the May 2003 attack on an NLD convoy and the renewed detention of Aung San Suu Kyi that resulted. More generally, human rights and democratization consistently feature in high-level Japanese statements on the Myanmar situation. In March 1997, for instance, Tokyo announced that its 'basic position is that any attempt to turn back the tide of democratization cannot be overlooked'.<sup>44</sup> Third, Japan has been a strong and vocal supporter of UN envoys seeking to promote dialogue in Myanmar and to point the way to national reconciliation and, eventually, democracy. Fourth, Japan places no constraints on corporate investment in, or trade with, Myanmar, though it claims to appraise inward investors of the political and human rights situations in the country. Fifth, and perhaps most important, Tokyo has attempted to keep open as many channels of contact as possible into Myanmar. It therefore has strong working links with both the junta and the principal opposition forces.

The contrasts with US policy are clear. They were strikingly illustrated in December 2003 when Thailand convened a meeting in Bangkok to discuss General Khin Nyunt's seven-point roadmap. Whereas Japan joined about ten other states in sending official, though not high-level, representation, the US declined to participate, sticking to its position that 'no progress at all' could take place until the democratic opposition was allowed a full role in politics.<sup>45</sup> The Bangkok process established at the meeting had cautious Japanese support, and no US support whatsoever. Japan's policy line also contrasts with the 'business as usual' approach adopted by Beijing. Moreover, it is somewhat different from the constructive engagement pursued by ASEAN. Here it is harder to be precise, for ASEAN states have by no means been united in their reactions to Myanmar. Nevertheless, the main elements of the Japanese position are clear from a statement released in January 1997, ahead of Myanmar's eventual July 1997 accession. Holding that international isolation did not offer a way forward, Tokyo said that it 'appreciate[d]' ASEAN's move. At the same time, it insisted that, 'ASEAN membership should not provide a smokescreen for oppression in Myanmar'.<sup>46</sup>

There are of course arguments that Japan's position, while distinctive, is also wrong. McCarthy acknowledges that Tokyo has adopted an unusual 'middle ground approach', focused on 'fostering democracy as a by-product of encouraging economic development'.<sup>47</sup> He holds the approach to be 'defective' for three reasons: the junta's economic policies are purely short term in orientation; the ideal historical moment for export-oriented growth has passed; and most capital accumulation is concentrated either in the Chinese community, or in the ranks of the armed forces. There are also arguments that, having tried and failed to engage the military junta in the past, Japan has little chance of succeeding now. One recent disappointment was a Myanmar–Japan

<sup>44</sup> Ministry of Foreign Affairs of Japan, *Japan's Position Regarding the Situation in Myanmar*.

<sup>45</sup> International Crisis Group, *Crisis Watch*, 3 (2003), p. 7.

<sup>46</sup> Ministry of Foreign Affairs of Japan, *Japan's Position Regarding the Situation in Myanmar*.

<sup>47</sup> McCarthy, 'Ten Years of Chaos in Burma', p. 251.

Joint Task Force on Economic Structural Adjustment, established in 2000 to bring together junta officials and about 40 Japanese bureaucrats, academics and business leaders. Three working groups were set up to examine economic and financial, trade and industrial, and agricultural issues. They were instructed to report back within a two-year timeframe. Although recommendations were duly made, there appears to have been no follow-up on the Myanmar side.<sup>48</sup> However, at a time when no Myanmar policy is working, and when sanctions are a particularly conspicuous failure, it is worth looking at new ways of framing and extending Japan's engagement.

### **Japan and resolution of the Myanmar problem**

The basic premise adopted at the start of this analysis is non-controversial: political progress in Myanmar is most likely to take place in a supportive external environment, characterized by some measure of international consensus on ways forward. The linked contention is that the high degree of dissonance in Myanmar's existing external environment has played a large part in its continuing political stasis. For Japan to play a decisive role in resolving the Myanmar problem, it would thus need to take the lead, either visibly or behind the scenes, in constructing an international coalition around an agreed, or at least not contested, reform agenda. Tokyo would have to develop a core strategy melding with its reassurance diplomacy in East Asia. It would also need to assemble an effective coalition embracing the US, China, ASEAN and India.

#### *Strategy*

Japan's current position on Myanmar is that, while the military junta must make progress toward democracy and meet certain human rights standards, Tokyo is also prepared to engage with Yangon and help the generals find a way forward. Implicit in this position is the belief that the military junta is likely to play a significant role in the country's future, and cannot simply be written out of the picture.<sup>49</sup> A parallel assumption is made about the role of the NLD and major ethnic groups, and their centrality to political progress inside the country. In isolation, Tokyo's approach is clearly not making much headway. However, as the agreed strategy of a group of critical external actors, it could have a much more substantial impact. Furthermore, it is conceivable that the Japanese policy line could provide the basis for an international consensus.

In concrete terms, the consensus should be built around active engagement in Myanmar, and ongoing dialogue with significant political forces. The central aim

<sup>48</sup> Neil Lawrence, 'Economic Mismanagement Could Bury Burma's Fragile Recovery', *The Irrawaddy*, 8 (2) (July 2000). Accessed 16 June 2005 at <<http://www.irrawaddy.org/database/2000/vol8.7/article.html>>. Agence France Presse, 'Japan to Work Out Support for Myanmar Reforms Within Two Years', *BurmaNet News*, 6 December 2000. Accessed 16 June 2005 at <<http://www.ibiblio.org/obl/reg.burma/archives/200012/msg00014.html>>.

<sup>49</sup> Andrew Selth, 'The Future of the Burmese Armed Forces', in Pedersen *et al.* (eds), *Burma Myanmar*, pp. 52–90. Pedersen, 'International Policy on Burma', p. 232.

would be to persuade all major parties of the various rights they may claim, and the corresponding duties they must perform, in taking forward a process of national reconciliation and political reform. Clear and measurable goals should be agreed by all sides, and procedures for verifying whether they have been met should be established. At every step along the agreed path, substantial amounts of targeted resources, comparable to the \$4.5 billion pledged at the January 2001 Tokyo Donors Conference on Afghanistan Reconstruction, should be made available for investment in Myanmar. Those resources should of course be withheld if progress is not registered.

Such a strategy would not be easy to sell to key players inside Myanmar. In particular, the junta is very prickly about external interference in its internal affairs, and may refuse to engage in the kind of dialogue envisaged here.<sup>50</sup> Indeed, for this reason reactions to the feasibility of a carrot and stick approach are sometimes skeptical.<sup>51</sup> However, if the approach were espoused by a multilateral coalition led with some sensitivity by an important nation with which all parties have maintained good contact, and if it were also to offer sizeable carrots alongside the necessary sticks, there is a possibility that it could succeed in winning over internal actors.

In addition, it could be of interest to critical external players. To the US, it would offer a commitment to the kinds of values Washington has long promoted in dealing with Myanmar, plus a chance to reengage with a strategic nation in the ongoing war on terrorism.<sup>52</sup> It would also provide a welcome chance to rebalance foreign influence inside Myanmar by boosting the profile of Japan and challenging the growing Chinese presence. To China and India, it would present the option of measured and stable change on a large and important frontier, and greater predictability in Southeast Asia as a whole. To ASEAN, it would offer a reinforcement of constructive engagement plus, again, an opportunity to counter growing Chinese involvement inside the region. Furthermore, such a strategy could provide the foundation for an international consensus ranging not only across major states, but also across multinational corporations with an interest in investment, plus non-governmental organizations keen to engage with the social problems that confront Myanmar.<sup>53</sup> The task is then to work out how Tokyo might build the necessary multilateral coalition.

### *United States*

Although Japan's grand strategy is gradually evolving, the relationship with the US remains fundamental to its security posture.<sup>54</sup> Hitherto, the very clear hierarchy in the relationship has placed the US in control, and Japan in its shadow. However, as has already been noted, there are precedents within Southeast Asia of Japan taking the

<sup>50</sup> Silverstein, 'Burma and the World', pp. 123–6.

<sup>51</sup> Pedersen, 'The Crisis in Burma/Myanmar', p. 98.

<sup>52</sup> Badgley, 'Strategic Interests in Myanmar.' Taylor, 'Myanmar's Political Future.'

<sup>53</sup> Ian Holliday, 'Doing Business with Rights Violating Regimes: Corporate Social Responsibility and Myanmar's Military Junta', *Journal of Business Ethics*, 58 (2006), forthcoming.

<sup>54</sup> Ikenberry and Inoguchi, *Reinventing the Alliance*.

lead on specific issues. In Cambodia in the early 1990s, Tokyo pursued a policy line that was eventually endorsed by Washington. It also engaged with Vietnam more rapidly, and was subsequently joined by the US. It is therefore conceivable that much the same could happen in Myanmar. The major problem is of course that the current US position is extreme and unyielding. Washington is not prepared to deal with Yangon until the NLD has been accorded the political power won through the ballot box in 1990. To have a chance of finessing this issue, Japan would need to secure active and enthusiastic NLD endorsement of its strategy. If Aung San Suu Kyi could be persuaded to shift her backing from sanctions to a credible and conditional form of multilateral engagement, it may be possible to convince the US to climb on board too.<sup>55</sup> Factors that heighten the chance of US engagement are Washington's desire not to be perceived as an obstructive force in East Asia, and its continuing concern about the growing influence of China in the region.

### *China*

Japanese relations with China continue to be marked by mutual suspicion, sometimes spilling over into antagonism. Furthermore, China is probably less worried about the Myanmar stalemate than any other relevant external player. Indeed, the direction events have taken in the past 15 years has largely played into Beijing's hands, giving it enhanced control of the situation on its southern border and a larger presence in Southeast Asia, including intelligence facilities recently acquired in the Indian Ocean. Nevertheless, China does have an interest in ensuring long-term stability on its southern flank, and might therefore be persuaded at least not to stand in the way of a reformist political initiative led by Japan. Clearly several potential difficulties would need to be overcome. There could be no implication that any conditions imposed on the Myanmar junta would also be directed toward the Chinese Communist Party. There could be no hint that hostile troops, notably from the US, would be stationed on a long border with China. There could be no explicit attempt to diminish the influence amassed by China in Myanmar over the past 15 years. Each of these difficulties is real and considerable. However, a deal that saw Beijing agree not to stand in the way of an international coalition could be sufficient to overcome them.

### *ASEAN*

In relating to ASEAN, Japan has become increasingly multilateralist in recent years.<sup>56</sup> However, among the nine states that partner Myanmar in ASEAN, the reaction to any Japanese initiative would probably be mixed, and could force Tokyo to develop a series of bilateral diplomatic initiatives. For one thing, ASEAN states take different positions on Myanmar, with some such as the Philippines and, for many years, Thailand

<sup>55</sup> Eiichi Hoshino, 'Economic Sanctions against Myanmar', in Nishihara Masashi (ed.), *The Japan-US Alliance: New Challenges for the 21st Century* (Tokyo: Japan Center for International Exchange, 2000), pp. 123-59.

<sup>56</sup> Kuniko Ashizawa, 'Japan's Approach toward Asian Regional Security: From "Hub-and-Spoke" Bilateralism to "Multi-tiered"', *Pacific Review*, 16 (3) (2003): 361-82.

staking out more critical positions than others, such as Indonesia, Malaysia, and Singapore. For another, ASEAN states naturally hold Myanmar to fall within their own sphere of influence, and have a history of insisting that they deal with regional problems themselves. For yet another, they share some of China's concerns about raising the profile of 'Western' values in dealing with this issue. On these grounds some analysts conclude, with Pedersen, that, 'It is highly improbable that ASEAN countries will allow themselves to be drawn into a wider front against Burma.'<sup>57</sup> However, while ASEAN clearly remains a crucial player, and performs something of a gatekeeping role in international dealings with Myanmar, its power is also limited.<sup>58</sup> Furthermore, Myanmar has for many years been an embarrassment to ASEAN, and a problem to which it has no real solution. Controversy surrounding Myanmar turn to assume ASEAN's rotating leadership in July 2006 reveals how anxious member states are to point to political progress inside the country. Furthermore, if Japan could persuade both the US and China either to support or, at a minimum, not to undermine its initiative, and if the Japanese role were cast in an appropriately recessive, behind-the-scenes way, it could begin to look attractive. Thailand may be the key ASEAN state. Like China, it has a long border with Myanmar. It is the largest trading partner. In Thaksin it has a dynamic and high-profile prime minister. It sees itself as a major player in dealing with Yangon, and launched the December 2003 Bangkok process.<sup>59</sup> As Thai–Myanmar relations have recently moved from the hostile mutual criticism of the 1990s into a new phase premised on good business relations and getting things done, Thailand might agree to partner Japan in putting together a broad international coalition. In this regard, the links that already exist between the two countries would prove helpful, and their experience of acting together to generate the Cambodian settlement would certainly be a good precedent. Furthermore, negotiation of the Japan–Thailand Economic Partnership Agreement, launched in Tokyo in December 2003, has reinforced ties, and given Japan additional leverage over Thailand as a series of contentious exclusion clauses remains to be thrashed out.<sup>60</sup> Bangkok might therefore see the merit of joining Tokyo in resolving an intractable issue that has dogged it for many years.

### *India*

To this point, little mention has been made of India, chiefly because Myanmar is overwhelmingly cast as an East Asian problem, and also because New Delhi was for many years rather aloof from and disdainful toward Yangon. A self-styled paragon of

<sup>57</sup> Pedersen, 'International Policy on Burma', p. 199.

<sup>58</sup> Steinberg, 'Burma/Myanmar.' Shaun Narine, 'ASEAN and the Management of Regional Security', *Pacific Affairs*, 71 (2) (1998): 195–214.

<sup>59</sup> Badgley, 'Strategic Interests in Myanmar', pp. 21–2.

<sup>60</sup> Ministry of Foreign Affairs of Japan, 'Joint Announcement of the Japanese and the Thai Prime Ministers on the Initiation of Negotiations for Establishing the Japan–Thailand Economic Partnership Agreement', 11 December 2003. Accessed 16 June 2005 at <<http://www.mofa.go.jp/region/asia-paci/thailand/joint0312.html>>.



democracy in Asia, India tended to maintain rather frosty relations with the military junta across its eastern border. For many years it was openly supportive of Aung San Suu Kyi and the NLD. However, as India, like China and Thailand, shares a long frontier with Myanmar, it has to figure in any resolution of the issue. Furthermore, the rapid growth of Chinese influence after 1988, which transformed Myanmar's strategic position from neutral buffer between China and India to part of Beijing's sphere of influence, forced New Delhi to reassess its approach. Since the mid-1990s, it has therefore become much more interested in Yangon as a strategic partner, and belatedly endorsed ASEAN's constructive engagement stance.<sup>61</sup> In October 2004, just one week after the ouster of General Khin Nyunt, Indian President Abdul Kalam and Prime Minister Manmohan Singh received a Myanmar delegation led by Senior General Than Shwe and containing eight generals from his cabinet. This first visit to India by a head of state from Burma/Myanmar in nearly 25 years was a clear indication of India's determination to play an important role in the country's future development. India and Japan have a track record of reasonable, if rather distant, relations, which were tainted but not seriously disrupted by India's May 1998 nuclear tests.<sup>62</sup> As any initiative would hold out potential benefits, New Delhi could be expected to fall in line behind Tokyo.

#### *Resolution and reassurance*

Finally, there is a strong possibility that the fit with Japan's grand strategy of reassurance diplomacy in East Asia would be good. Tokyo's initiative could certainly be cast as an extension of its involvement in the Cambodian peace settlement more than a decade ago, and of its wider regional engagement through ODA, trade and investment. Indeed, such an initiative would be an obvious candidate for the reassuring image that Japan is keen to project. The fact that it would help balance China would clearly be of great interest to the US, ASEAN and India, all of whom are wary of Beijing's influence in Myanmar, and by extension in Southeast Asia as a whole. The fact that it would showcase a Japanese attempt to secure a peaceful settlement of a long-standing Asian problem would go down well, not only in the region, but also in the US. The fact that it would project a pacifist image in a country with memories of terrible conflict with Japan in the Second World War would certainly be welcome.

#### **Conclusion**

For a decade and a half Myanmar has been in political stasis. The October 2004 fall from power of General Khin Nyunt, widely held to be the most liberal member of the military junta, and the reassertion of control by hardline leader Senior General Than Shwe, seem likely to prolong political deadlock. Nevertheless, all of the major

<sup>61</sup> Malik, 'Burma's Role in Regional Security', pp. 254–6. Badgley, 'Strategic Interests in Myanmar', pp. 19–20.

<sup>62</sup> Purnendra Jain, 'India's Calculus of Japan's Foreign Policy in Pacific Asia', in Inoguchi (ed.), *Japan's Asian Policy*, pp. 211–36.

actors recognize that the current standoff cannot continue for ever. Furthermore, all seek external assistance and validation in making a breakthrough. However, none of the international initiatives taken in the past 15 years has secured anything more than a small proportion of its core objectives. External pressure has forced the military junta to talk about democracy, and to return to the theme on a periodic basis. International actors have thereby had some impact on the regime's rhetoric. Outside interest has also almost certainly saved the lives of Aung San Suu Kyi, who remains the single most important symbol of the regime's repressive rule, and of her top NLD associates. By placing this constraint on the range of options open to the regime, external actors have again had some impact. In broader senses, though, international action has failed. Sanctions are not working in the Myanmar case. Constructive engagement is not working. All of the quiet diplomacy that takes place within East Asia is making very little difference to the situation on the ground.

The argument developed here is not only that current initiatives are not working, but also that they cannot work. Many of the necessary political institutions and forces within the country are now so enervated that reform cannot be expected to proceed without considerable external help. Currently, however, that help is not forthcoming. Rather, the policies adopted by external actors are making the situation worse. Sanctions will not work in Myanmar as they did in South Africa, and will therefore have only negative impacts.<sup>63</sup> Chinese support and investment may bring short-term benefits, but they are not contributing to a long-term political resolution. Constructive engagement as currently practiced by ASEAN seems unlikely to chalk up any major successes. As others have argued, a new approach needs to be adopted. Furthermore, debate has to move beyond some of the contributions recently made.<sup>64</sup>

In circumstances in which the two leading external actors have staked out extreme positions that disable them from constructing an international coalition and leading change, the task can only be undertaken by a lesser power. The one on which this article has focused is Japan. The proposal outlined here would represent an extension of Tokyo's current reassurance diplomacy, but not to such a degree that it would conflict with the gradualism that has always been integral to it. It can easily be captured in Midford's development of Walt's theory. Of course, there is no guarantee that key players inside or outside Myanmar would respond positively. However, if any external nation has a viable chance of bringing critical actors into a process of dialogue and reform, it is Japan, which has maintained strong links with all major forces throughout. The approach sketched here may thus represent the best opportunity for dealing with a political stalemate that has persisted for too long. As a regional power, Japan should take the lead in addressing this regional problem.

<sup>63</sup> Pedersen, 'International Policy on Burma', p. 212. Leon T. Hadar, 'US Sanctions Against Burma: A Failure on All Fronts', Cato Institute for Trade Policy Studies, 26 March 1998. Accessed 16 June 2005 at <<http://www.cato.org/pubs/trade/tpa-001.html>>. Badgley, 'Strategic Interests in Myanmar'. Taylor, 'Myanmar's Political Future'.

<sup>64</sup> Mathea Falco, *Burma: A Time for Change* (New York: Council on Foreign Relations, 2003).