

# US welcomes outcome of sham elections in Burma

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Burmese opposition leader Aung San Suu Kyi and her National League for Democracy (NLD) won at least 40 of the 44 seats they contested in the by-elections for 48 seats in the national parliament last Sunday. The seats became vacant after parliamentarians elected in the November 2010 elections moved into other government posts.

In the country's new capital of Naypyitaw, an area dominated by civil servants, the NLD won all four seats. Likewise, in the country's largest city, Rangoon, the NLD took all six seats up for election. The NLD is claiming a landslide victory, securing 80 percent of the vote nationally.

The result has been cautiously praised by the Obama administration, which is seeking closer ties with the Burmese junta as part of its broader efforts to undermine Chinese influence throughout the region. Since the imposition of Western sanctions, Burma has depended heavily on China over the past two decades.

Speaking from Istanbul, US Secretary of State Hilary Clinton congratulated "the people who participated, many for the first time," in the election process, while calling for further "reform efforts" by the Burmese government of Prime Minister Thein Sein.

Clinton's comments are completely cynical. The election results no doubt express the widespread opposition and hatred for the military clique that has ruled the country since 1962. However, the military remains firmly in control of all arms of the state apparatus.

The army-backed Union Solidarity and Development

Party still holds an overwhelming majority of seats in the 440-seat House of Representatives. Moreover, 110 seats are reserved for uniformed army officers, as well as 56 seats in the upper House of Nationalities. The head of state must be an army officer and appoints all ministers and Supreme Court judges. The army commander chooses the security ministers.

The NLD boycotted the 2010 election because the junta's constitution and electoral laws barred any party whose members had criminal convictions. To participate in the election, the NLD would have had to expel Suu Kyi and most of its leadership.

For the by-elections, Prime Minister Thein Sein waived the requirement and allowed the NLD to stand, in an effort to meet Washington's demand for political reform as a pre-condition for lifting economic sanctions. The government also released hundreds of political prisoners.

The Burmese generals have been responding to signals from the Obama administration that it is seeking a rapprochement. Clinton visited Burma in December—the first trip by a US secretary of state in more than 50 years. A month later, the US announced it would send an ambassador to Burma. In February, Clinton signed a waiver ending US opposition to World Bank involvement in Burma.

The Obama administration's moves have nothing to do with defending the democratic rights of the Burmese people. Burma is strategically located between China and India, with coastal ports on both the Indian Ocean and Andaman Sea. It has significant natural resources, including oil and gas, and has potential as a cheap

labour platform.

The US has embraced the by-elections as a means of providing a democratic façade to its closer relations with the Burmese junta. By taking part in the electoral charade, Suu Kyi has played a major role in legitimising the so-called political reforms. On Monday she hailed the results as “a triumph of the people”, declaring: “We hope this will be the beginning of a new era.”

Suu Kyi and the NLD represent sections of the Burmese bourgeoisie who have been sidelined by the military and have sought to open up the economy to foreign investment. While making demands for an end to the junta’s repressive rule, the NLD has always been hostile to any independent movement of working people.

In 1988, Suu Kyi sabotaged the mass protest and strike movement that threatened to topple the regime by calling off the demonstrations in return for a promised election. After the NLD won the 1990 election, the junta ignored the result.

Until recently, the NLD opposed the lifting of sanctions but quickly fell into line with the Obama administration’s manoeuvres. Suu Kyi met with Clinton in December and has also had discussions with senior US officials and politicians.

Neither the US nor the European Union is yet ready to lift all sanctions, but the Burmese regime is moving rapidly to meet US demands. As outlined by Clinton in December, these include: greater political freedom for the NLD; an ending of the army’s protracted conflicts with ethnic minorities; and inspections of the country’s nuclear programs by the International Atomic Energy Agency.

The international financial press is paying considerable attention to the economic opportunities that could open up in Burma. On January 25, the International Monetary Fund (IMF) released a report saying Burma had “a high growth potential and could become the next economic frontier in Asia.”

The report said the top “reform” priority was to end the country’s parallel exchange rate. Until this week, the Burmese kyat was officially fixed at 6.4 kyat to the US dollar, while the real market rate was between 800 and 820. On Monday, the government set a new reference rate of 818 kyat as part of a gradual move to float the currency.

One major effect will be to undermine state-owned enterprises, which have been able to conceal their losses as they alone were able to access the official exchange rate. The IMF is demanding sweeping privatisations that will involve mass sackings.

The regime is also preparing legislation that will provide a five-year tax exemption for foreign investors, permit the full repatriation of profits and provide guarantees against nationalisation by the government. Overseas investors will be able to lease land and will no longer need a local Burmese partner.

This pro-market restructuring will inevitably lead to a deepening social divide as the devaluation of the kyat generates rising prices, and the dismantling of the state-owned sector produces job losses and an erosion of conditions and pay.

After the by-elections, prime ministerial adviser Nay Zin Latt indicated that a cabinet post for Suu Kyi was “possible”. The military is clearly looking toward the NLD to play a key role in defusing the social and political unrest that these socially regressive policies will produce.



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