

Myanmar



# Myanmar: Prospect for Change

Edited by  
Li Chenyang and  
Wilhelm Hofmeister



Yunnan University



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Tel: (65) 6227-2001  
Tel: (65) 6227-8343  
Email: [politics@kas-asia.org](mailto:politics@kas-asia.org)  
Website: <http://www.kas.de/singapore>

Yunnan University  
Institute of Southeast Asian Studies  
School of International Studies  
No.2 Cuihu North Road  
Kunming  
Yunnan Province 650091  
China

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# Preface

The military has been in power for nearly fifty years in Myanmar (including the military-caretaker government periods from 1958 to 1960). No other countries have longer military governance than Myanmar after World War II. The current Myanmar military regime came to power through a coup on September 18, 1988. It refused to transfer the power to the winner of the 1990's general elections—the National League for Democracy (NLD)—and house-arrested the opposition leader Aung San Suu Kyi, which aroused strong condemnation and economic sanctions from the European and American countries. Initially, those countries required the Myanmar military government to give up the power to the NLD and release Aung San Suu Kyi. As time went by, the international community gradually realised that it is unlikely to set aside the military in a short period of time. The military regime was asked to release Aung San Suu Kyi and other political prisoners and take practical measures to promote tripartite peace talks with the ethnic minorities and the opposition. In order to improve the democracy and human rights conditions in Myanmar, the UN has appointed two special envoys to mediate among the three parties. However, their efforts yielded little success. ASEAN has also made efforts to achieve the resolution of Myanmar issue in consideration of its overall image and its relations with European and American countries. ASEAN has not achieved its desired result due to diverse views of its member states and lack of effective means. At the same time, China became the target of criticism due to its long-standing non-interference in Myanmar's internal affairs. China supports Myanmar to solve the issue by itself. It opposes sanctions and does not approve the UN Security Council's draft resolution on Myanmar. Thus, the Chinese government was criticised for lending its support to the Myanmar military's long-term governance which the international community believes resulted in the stagnation of the democratisation process in Myanmar. However, European and American countries gradually recognised that due to the special situation in Myanmar, sanctions alone cannot reverse the military regime. On the contrary, it hurts the Myanmar people. So, they have to consider adjusting their Myanmar policies appropriately. America's Myanmar policies indeed have changed significantly. The Obama administration while maintaining sanctions is also trying to reach out to the Myanmar military high-level, expecting to urge the military to release Aung San Suu Kyi and other political prisoners, and hold a free, just, and fair elections in 2010. Nevertheless, the Myanmar issue

is relatively complicated and not easy to be solved. There is a need for more in-depth studies from different perspectives by academics so that they can provide more effective proposals for policy-makers.

In order to enhance the research on the Myanmar issue, the Asian Political Science Association by the initiative of Professor Ian Holliday, dean of the Faculty of Social Sciences, Hong Kong University since 2007, organised a series of international symposiums about Myanmar. These symposiums have been sponsored by the Konrad Adenauer Foundation. The first event took place in November 2007 in Bangkok, Thailand. The second was held in Xiamen University, China. This volume grew out of the third symposium, held from 19th to 21st July, 2009 in Kunming with the participation of international renowned scholars on contemporary Myanmar issues. It was jointly organised by the Institute of Southeast Asian Studies (ISAS), Yunnan University, and the Faculty of Social Sciences, University of Hong Kong, China. I sincerely appreciate and wish to express my most sincere gratitude to all the participants for their understanding and cooperation and especially to all of them who submitted to us their revised papers for publication in this book.

According to the contents of these papers, this book is divided into four parts. The first part focuses on Myanmar's internal affairs while the other three explores Myanmar's relations with China, ASEAN, and other major powers. We have various scholars with different views about Sino-Myanmar relations, and I believe that the different viewpoints and debates within this book will offer a better understanding of Myanmar.

The current Myanmar government changed the country's name from *Burma* to *Myanmar* in 1989, which has been officially recognised by the United Nations. But, using *Burma* or *Myanmar* has different political implications in the West. There is no forcible unification of the use in this book in respect of the authors. What's more, the editor's view is from an academic perspective rather than its political significance.

Finally, I would like to express my deep thanks to the Konrad Adenauer Foundation, its regional representative Dr. Wilhelm Hofmeister, and his predecessor Dr. Colin Dürkop for their support for the Kunming symposium and the publishing of this book. I would also like to thank Megha Sarmah for the assistance in the editing of this book.

Li Chenyang (Ph.D.)  
*Professor and Director,*  
*Institute of Southeast Asian Studies,*  
*Yunnan University*  
*12 December 2009*

**Rhetoric and Reality:  
International and  
Domestic Politics  
of Myanmar**



# Myanmar's National Reconciliation and International Responsibility

*Liu Xuecheng*<sup>1</sup>

Myanmar's domestic development and outside growing pressure upon its military junta have become the prevailing theme in Asian political and security affairs. At the current critical stage of Myanmar's political transition, UN secretary-general Ban Ki-moon visited Myanmar on July 3–4, 2009. During his meetings with Senior General Than Shwe, the head of state, and with Prime Minister Thein Sein, he made special proposals with a particular focus on three outstanding concerns: the release of all political prisoners, including Daw Aung San Suu Kyi, head of the National League for Democracy (NLD); the resumption of a substantive dialogue between the government and the opposition; and the creation of conditions conducive to credible and legitimate elections in 2010.<sup>2</sup>

According to Myanmar's representative to the United Nations, Myanmar's leadership accommodated the secretary-general's requests, except the one for a meeting with Daw Aung San Suu Kyi due to the Special Court's independent jurisdiction over the matter. The Myanmar government will implement the appropriate recommendations proposed by the UN secretary-general, including such matters as amnesty for prisoners and technical assistance for the coming elections.

Myanmar's acceptance of the UN secretary-general's good offices mission, as well as his two visits within just one year is encouraging progress of Myanmar's cooperation with the United Nations. The good offices of the UN secretary-general and constructive coordination of the UN special envoy Gambari demonstrate positive development in initiating and pushing forward the process of Myanmar's national reconciliation and political democratisation. After Mr. Ban's briefing on his recent visit to Myanmar, the UN Security Council members stressed the importance of, and expressed support for, the leading role that the United Nations could play through the secretary-general's good offices in the course of Myanmar's political transition.

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<sup>1</sup> Liu Xuecheng, Senior Research Fellow of China Institute of International Studies, China.

<sup>2</sup> UN Security Council, Briefing the Council on the Secretary-General's Recent Visit to Myanmar, SC/9704, Department of Public Information. News and Media Division. New York, 13 July 2009. <http://huwu.org/News/Press/docs/2009/sc9704.doc.htm>

## Challenges of Myanmar's Nation/State-Building

It is more than half a century since Myanmar achieved independence from British colonial rule in 1947. The central government has faced the difficult mission of nation-building and state-building in the course of establishing a modern state. National unity and democratic politics have always been a particularly salient theme in Myanmar's domestic politics and national reconstruction.

The challenges Myanmar is facing are complex and multifaceted. Myanmar, surrounded by countries with different political systems, cultures, and religions, is also a multi-ethnic, multi-religious, and underdeveloped country. Extreme violence has been a daily occurrence in ethnic minority areas in the border regions, where the central government has faced wide spread armed insurgencies since Myanmar's independence.

Myanmar has promulgated two constitutions. The one framed in 1947 accorded some states the right to secede after ten years. The current constitution (Chapter II, Article 7) rules out such a right. It states: "No part of the territory of the Union, namely regions, states, Union territories and self-administered areas etc. shall ever secede from the Union."

The military leaders see the country as a holy battlefield with ethnic-based insurgencies and other political enemies. Armed ethnic groups they have been fighting have been extraordinarily varied—from the Islamic mujahedeem on the borders of Bangladesh to armed militias on the borders of Thailand to opium warlords, and ethnic separatists. They have been fighting for national unification for more than half a century in its northeastern areas.

The military junta engineered a *coup d'état* in 1962, and has ruled the country for the past decades. The State Law and Order Restoration Council annulled the results of the general elections in 1990, because these elections had been held to elect representatives to a constitution-drafting body and not for a national assembly. Many protest leaders and activists were arrested and put into jail. Many others fled to other countries and continued their anti-junta campaign both inside and outside the country.

It is reported that fourteen leading political activists, including five women from the "88 Generation" students group, were each sentenced to sixty-five years in jail for their involvement in the Buddhist monk-led protests in 2007, which became known as the Saffron Revolution. It is estimated that this country has held roughly 2100 political prisoners.

The 2008 constitution makes it impossible for political parties to contest in 2010. Chapter X denies the parties like the NLD to set their own objectives.

Political forces in exile constitute a disparate group of some seven alliances comprising over 100 various organisations. They are harbouring hopes that people inside the country will launch some kind of colour revolution again. They have not accepted the outcome of the constitution referendum in 2008, and they have not recognised the legality and legitimacy of the new constitution.

Assessing the power structure in Myanmar, the problem is that the opposition does not have the sufficient strength to challenge the military junta for power. It has inherent limitations as an effective tool for regime change in this country. All the opposition groups lack cohesion and organisation. The NLD, as the vanguard party of the 1988 protest campaigns, has to develop its nation-wide organisation and provide leadership for the political forces of change.

Actually, it would be a risky gamble. No one symbolises this change more than Aung San Suu Kyi. However, the military junta has forced the NLD to close down all its local offices across the country, and denied the party the right to meet as a collective for over a decade. The junta has also arrested and imprisoned scores of NLD activists including those who head the NLD. Suu Kyi continues to remain under house arrest even now. She cannot even be allowed to participate in the general elections in 2010.

To avoid a repeat of the 1990 election debacle in 2010, the junta has pushed through the new constitution with conditions that will preserve the power of the military, including a required 25 per cent of the seats in the upper and lower houses of the new legislature reserved for military officers. The junta praised the May 2008 referendum for approving the new constitution, which was endorsed by 94.4 per cent of the voters and had a 98.1 per cent turnout.

Prior to the elections in 2010, despite positive coordination and cooperation of the Tripartite Core Group, volatile situations in Myanmar will lead to concerns of the international community. People still do not have enough confidence that the Myanmar government can guarantee the elections will be free, fair, and inclusive and to release all the political prisoners. Quite a few opposition parties still refuse to accept the new constitution.

Some armed ethnic groups inside the country have not yet signed peace agreements with the Myanmar government. National unity and reconciliation are, therefore, its biggest challenge. Moreover, a new factor has added to this uncertainty. Before the national elections in 2010, the Myanmar government intends to transform the armed forces of cease-fire groups into the Border Guard Forces (BGFs) in the ethnic minority regions. Strong resistance to the BGFs plan has led to military operations by the Myanmar government. The military operations have increased uncertainty about the future of the cease-

fire agreements signed with many ethnic groups and incremental and peaceful transition to a lasting political settlement.<sup>3</sup>

In August 2009, while the international community was watching the development of the interactions between the United Nations and the Myanmar government, the military junta launched military attacks in the Kokang region, took over its capital Laukai, and occupied the region. The military operations ended two decades of cease-fire with the Myanmar National Democratic Alliance Army (MNDAA). Other cease-fire groups such as the Kachin Independence Organisation are concerned about possible military attacks from Myanmar's armed forces. International and local NGOs have suspended their activities in the cease-fire areas. Tensions are growing between the military junta and the cease-fire groups, which are not conducive to the national elections in 2010.

## **Myanmar's Roadmap toward Democracy**

The military junta has been in power in Myanmar since a 1962 coup d'état. Now Myanmar is preparing for general elections, which is the latest stage in implementing its roadmap to democracy. That would not have been possible without the good offices of the UN secretary-general and the mediating efforts of the UN special envoy Gambari. The Myanmar government has made commitment to the goal of a democratic society through implementation of a seven-step roadmap. Any successful transition will require overcoming the country's twin legacy of political deadlock and civil conflict. It is in the interests of all the parties to ensure that any gains made so far should become irreversible.

The national referendum on a new constitution in 2008 represents the fourth step in the ruling junta's seven-step "roadmap to democracy," which was first broached in 2003. The junta has made a commitment to parliamentary elections as part of its "roadmap to democracy". The junta's measures are rooted in the outcome of the 1990 elections that shocked the military regime of the day. The NLD was created ahead of that election, and won a convincing 82 per cent of the seats in the 485-seat parliament.

In a direct challenge to the junta's push towards the elections, the NLD's chairperson, Aung Shwe, called for the unconditional release of all political prisoners including Suu Kyi to pave the way for an inclusive political environment ahead of the 2010 countrywide elections. Some Western diplomats

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<sup>3</sup> Tom Kramer, *Neither nor Peace, the Future of the Cease-fire Agreements in Burma*, TNI July 2009. <http://www.tni.org/reports/drugs/ceasefire.pdf>



believe that the elections will only prove productive if all parties are allowed to participate.<sup>4</sup>

However, Daw Aung San Suu Kyi has been in prison or under house arrest off and on since 1989. Recently, she has been convicted of breaking the terms of her house arrest by allowing an unauthorised American intruder to stay at her lakeside home for two days. She would continue to be under house arrest for another one and half a year. That means that she will not be able to participate in the national elections in 2010.

The military junta defines their roadmap to democracy as “disciplined democracy”. However, many analysts think that “disciplined democracy” is simply “military democracy”, and it will essentially preserve military rule under the guise of a civilian government. Under the guidelines for the new constitution drawn up by the National Convention, the junta officers will dominate in the proposed parliament by reserving seats for military appointees. The president will come from the military, while key ministries, including defence, will be directly controlled by the military. The army would be allowed to set its own budget, without reference to the civilian government, and the army commanders would retain the right to declare a state of emergency for their defined reasons of national security. Therefore, the Western countries have called it a sham elections, aimed at entrenching the military's grip over political power in the country.

With the military ensconced in power for forty-six long years, not many believe it will hand over power to civilians after the promised elections. Therefore, the 2010 elections would be a critical test, and ought to be free and fair. All political parties should be allowed to campaign for and participate freely in those elections. The government should also establish the necessary conditions for national reconciliation. So far, all the domestic opposition parties, ASEAN, and the United Nations have strongly appealed for this.

According to Mr. Ban, the United Nations agreed to Myanmar's seven-step roadmap and wants to see the country's 2010 elections be democratic and inclusive. During his Myanmar visit, Ban also met with the leaders of ten legal political parties and ethnic peace groups, and encouraged them to participate in the process of political transition.

On May 27, 2009, US president Barack Obama called for Myanmar's ruling generals to release opposition leader Aung San Suu Kyi “immediately and unconditionally.”<sup>5</sup> This call might be a little delicate and sensitive. Whether Suu

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<sup>4</sup> Marwaan Macan-Markar, “Myanmar Opposition Weighs Options,” *Asia Times*, May 7, 2009.

<sup>5</sup> “Obama calls for Suu Kyi's immediate release,” May 27, 2009. <http://www.welt.de/english-news/article3811333/Obama-calls-for-Suu-Kyis-immediate-release.html>

Kyi will be released or imprisoned will be a crucial test of the junta's intention and sincerity.

Since joining ASEAN in 1997, the generals have been a thorn in the group's relations with the West, which has repeatedly urged ASEAN to exert more pressure on the Myanmar regime. Many policy analysts are concerned that a proposed human rights body under a new ASEAN Charter signed in 2007 will have no teeth, given the charter's commitment to the group's principle of non-interference. Thailand, which holds the rotating chair of ASEAN in 2009, said that ASEAN was ready to "contribute constructively" to national reconciliation, and a peaceful transition to democracy in Myanmar. The ASEAN's position generally shares Mr. Ban's views on the political process in Myanmar.

The elections should have the support of both the government and all registered political parties and rebel groups that had shown readiness to lay down their weapons. The Myanmar government needs to create the conditions necessary for dialogue with ethnic minorities in order to facilitate national reconciliation. All political prisoners must be released as soon as possible. Their participation in the elections would guarantee the credibility and legitimacy of the electoral process. The government now has an opportunity to strengthen the national reconciliation process.

The Myanmar government's roadmap to democracy is not perfect, but could serve as the basis or framework for planning the future national reconciliation in the years ahead. It is high time that the Myanmar government heeds the appeals of the UN Security Council and releases all political prisoners, which is essential for the establishment of a political environment conducive to dialogue, conciliation, and mutual respect. Then all the parties can seize the historic opportunity presented by the 2010 elections, to embark upon an irreversible track towards national reconciliation, domestic peace, and economic development.

The government of Myanmar should match words with deeds in responding to the concerns and expectations of the international community. In the year to come, in order to prepare for smooth and successful elections, I have made a four-point assessment:

1. All the relevant parties at home and abroad should recognise that any type of "colour revolution" is just impossible in Myanmar. Myanmar is unlikely to experience a dramatic political transformation successfully without well-organised institutions except the military.

2. The junta's "roadmap to democracy", however imperfect and dissatisfactory, provides an opportunity to gradually open the Myanmar's political system. Against this background, all the political parties should

recognise that the demilitarisation of the Myanmar's polity should be an incremental process and still have a long way to go.

3. All the parties should insist on reconciliation and accommodation. The struggle in Myanmar has been seen or distorted as a personal fight between Suu Kyi and Gen. Than Shwe or a clash of democracy and tyranny between the junta and the NLD. The nude reality is that a complex Myanmar is actually the battlefield of multiple struggles among internal and external forces.

4. The 2012 elections are not necessarily seen as the final battle, and all the parties should learn to make compromises and work together in the fundamental interests of this great nation.

## **Constructive International Responsibility**

The international community should make a balanced assessment on the Myanmar government's commitment to national reconciliation and domestic peace. We should see the positive efforts and progress the Myanmar government has made in bringing about national unity and pushing forward the process of domestic democratisation. As an Asian developing country, we fully understand the tough challenges Myanmar is facing. The biggest challenge is development. Another is national unity and domestic peace. Today's Myanmar is ranked as one of the poorest nations in the world and is a divided nation in terms of political disarray as well as sovereignty and territorial division. Quite a few insurgent ethnic groups inside the country have not yet signed peace agreements with the government, and continue their insurgent campaigns in the border regions. Hundreds of opposition political organisations, with different political platforms and interests appeals, are operating at home and abroad.

The recent UN secretary-general's visit is a significant event, and its positive outcome deserves to be assessed fairly by the international community. Some people and certain countries are not happy that the UN secretary-general could not meet with Daw Aung San Suu Kyi, but they had arranged for him to meet with many other people and also have made extensive contacts with the cease-fire ethnic groups. Not allowing a meeting with Suu Kyi who was legally on trial should be properly understood, and should not be used as a criterion for assessing the success of the secretary-general's visit. During his visit, the UN secretary-general Ban held in-depth dialogues with top Myanmar leaders and that would play a positive role in encouraging the national reconciliation and democratic process in Myanmar.

Facts have proved that international sanctions imposed by the Western governments have not brought about the expected results. For the past twelve years, the United States and EU nations have pursued a policy of increasingly

tight sanctions—blocking imports, investment, and all other financial contacts, and ultimately imposing sanctions that have targeted individual junta members.<sup>6</sup>

During her visit to Asia in February 2009, Secretary of State Hillary Clinton announced that the United States was reviewing its policy of sanctions: “Clearly, the path we have taken in imposing sanctions hasn’t influenced the Burmese junta.” Her comments marked the final recognition of failure to change the junta’s behaviour by imposing strict sanctions. It is encouraging that the Obama administration has begun its policy review on Myanmar and made certain policy adjustments. President Obama and Secretary Clinton have advocated a new policy of constructive engagement with the military junta by initiating direct dialogue with the Myanmar generals.

The opposition National League for Democracy won the 1990 elections, but was never allowed to take power. This party has been among the most vocal advocates of sanctions against the Myanmar government and its leaders. However, all these punishments have led to nowhere. It is obvious that Myanmar’s problems cannot be addressed in a Western forced diplomacy, characterised by sanctions and punishments in the critical years ahead.

International efforts should create a favourable climate for the political transition from the current military rule to civilian governance. The international sanctions against Myanmar should be lifted, and constructive good offices and incentives should be encouraged, which would be necessary for creating an enabling environment for post-disaster reconstruction, economic development, and democratic process in this country.

Events inside Myanmar are internal matters that have posed no threat to international and regional peace and security and no threat to its neighbours. Its neighbours and outside powers should assist Myanmar in its efforts to achieve domestic peace, political transition, and economic development with great sympathy and generosity in a constructive and cooperative spirit.

Myanmar’s destiny and future is in the hand of its people alone, and not in the hands of any other country. The internal affairs of states should be dealt with through constructive dialogue between the government and other parties concerned, and with the assistance and mediation of the international community. We hope that the Myanmar government would steadily conduct political reform, lead its people towards economic prosperity, and that the international community would fairly assess the country’s challenges the Myanmar government is facing.

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<sup>6</sup> Tim Johnston, “Carrot-and-Stick Approach May Replace Sanctions Diplomacy,” Washington Post, April 12, 2009.

Western diplomats and policy analysts believe that the more effective approach is a combination of carrot and stick: expanding economic aid and humanitarian relief, lifting some sanctions that have hindered Myanmar's economic development and improvement of living conditions, while crafting pointed sanctions that would effectively hit the bank accounts and travel plans of the individual junta leaders who run and benefit from this regime. A senior Western diplomat calls this approach as "intelligent engagement."<sup>7</sup> I think that the real effective approach is *not to* impose economic sanctions on this country but provide assistance and cooperation. "Carrot-and-Stick Approach" is actually the approach of the carrot tied to the stick.

China is against isolating and sanctioning Myanmar. China's position remains unchanged. It is just because sanctions have caused great sufferings to the Myanmar people, hindered its socio-economic development, and could not generate positive results. As Thant Myint-U, the grandson of former UN secretary-general U Thant, remarks, the current sanctions on the government are hurting ordinary Myanmar people more than the junta generals. He further points out: "Sanctions aren't a stick, and engagement is not a carrot—it's almost the other way around." His approach is to find ways for increasing the right kind of aid, trade, and investment, opening up the country, strengthening the middle class, and laying the foundations for a meaningful democratic transition.<sup>8</sup>

In this regard, ASEAN member states and Myanmar's neighbours should work together to help Myanmar address its difficulties. The Thai prime minister has announced that the Thai government opposes isolating and imposing sanctions against Myanmar. China shares this position. It seems to me that the creation of a new regional and multilateral cooperation mechanism on Myanmar is unnecessary and ineffective. Outside powers without full comprehension of the challenges facing the country would not be conducive to its home-grown political process. The model of coping with the post-cyclone humanitarian reliefs and reconstruction might be an appealing approach. As the UN secretary-general Ban stated, he had witnessed the progress made over the past year in recovery and reconstruction of cyclone-affected areas of the country, through the Tripartite Core Group, thanks to unprecedented cooperation between Myanmar, the United Nations, and the ASEAN. The secretary-general's successful visit has confirmed the leading role of the United Nations as a key mediator, as well as its commitment to helping the government and people of Myanmar.

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<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

Myanmar is an official member of ASEAN and has signed the ASEAN Charter. In the future course, Myanmar's political, economic, and social development will be certainly linked with ASEAN's future. The involvement of ASEAN is imperative and meaningful. The role of ASEAN should not be ignored and must be further strengthened in the course of Myanmar's national reconciliation, and domestic peace and stability. Meanwhile, coordination between the United Nations and ASEAN is also important, and crucial in the joint efforts to bring about sustainable peace and stability, steady economic growth, and tangible results of achieving the roadmap to democracy.

We all hope that Myanmar will be able to achieve peace, democracy, development, and national unity, and become a respected member state of the United Nations, a credible member of the big ASEAN family, and a friendly and prosperous neighbour.

# Civil Society and Political Oppositions in Burma<sup>1</sup>

*Kevin Hewison and Susanne Prager Nyein<sup>2</sup>*

For some, it may seem perverse to write of “civil society” in contemporary Burma where the military-dominated state weighs so heavily on society. Some would argue, as they once did for China, that this thing we call “civil society” simply does not exist in Burma. Not that long ago, David Steinberg (1997) considered civil society to be a “void” and believed that “the immediate future for civil society remain[ed] bleak.” However, as in China, there is now a celebration of a perceived emergence of civil society in Burma.<sup>3</sup> For example, Ashley South (2008) has recently argued that the previously missing or dormant civil society has, over the past decade, come back to life especially in areas where ceasefires between armed ethnic groups and the military are in place. This view has been greatly reinforced by the capacities seen amongst local non-governmental organisations (NGOs) in responding to Cyclone Nargis in 2008.

For all of this enthusiasm about the recent efflorescence of community-based organisations and NGOs, like Kivimäki and Pedersen (2008: 101), we see the political space available for civil society as remaining remarkably constrained in Burma. However, like Steinberg (1997), we also want to suggest that the current situation is not “natural” or an outcome necessarily pre-determined by historical past, colonial legacy, or culture.

In this paper, we examine the emergence of a “politicised” civil society not as any kind of natural outcome or as an end point in a process of economic and political development, but as an outcome of the availability of *political space*,

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<sup>1</sup> An earlier version of some of the latter parts of this paper was presented at the Carolina Asia Center conference “New Directions in Southeast Asian Studies” at the University of North Carolina at Chapel Hill, 10–11 October 2008, co-sponsored by the Odum Institute, and appeared in the *Journal of Contemporary Asia*, 39, 4, 2009. An earlier version of this joint paper was presented to the symposium on Political Development and New Challenges for International Relations in Southeast Asia, Institute of Southeast Asian Studies, Yunnan University, Kunming, 19–21 July 2009.

<sup>2</sup> Kevin Hewison, Director and Professor of Carolina Asia Center, University of North Carolina at Chapel Hill.

Dr. Susanne Prager Nyein, Department of History, Misericordia University.

<sup>3</sup> For the change in the China debate, see arguments in Brook and Frolic [eds] (1997); and compare with Zhang (2003).

where the state has a powerful influence on the breadth of political space available for autonomous, but not necessarily independent, organisations to emerge. In this paper, we briefly examine the ebb and flow of political space in Burma from the colonial period to the present.

Our account remains exploratory, as a reminder of events past and present. The paper is divided into several sections, beginning with a consideration of some theoretical issues regarding civil society and its development. We then turn to a series of historical snapshots of political space and civil society in Burma before considering the contemporary period. We acknowledge that some of this definitional and historical consideration is not marking out particularly new ground (see, for example, Steinberg, 1997; Richmond, 2006).

### **Political Space, Civil Society, and Political Oppositions**

Civil society is not a simple category. As Brook (1997: 19–20) noted, “civil society” has a meaning deeply rooted in the development of capitalism and the end of absolutism in Western Europe. The forces those processes unleashed were dominated by rising counter-elites that wished to reduce the weight of the state (see Bernhard, 1993: 307–11). For contemporary Burma, this context has only limited relevance. In dealing with this lack of easy fit, Steinberg (1997) observed that for Burma, civil society has to be narrowly defined. He argued that civil society was

composed of those non-ephemeral organizations of individuals banded together for a common purpose or purposes to pursue those interests through group activities and by peaceful means. These are generally non-profit organizations, and may be local or national, advocacy or supportive, religious, cultural, social, professional, educational, or even organizations that, while not for profit, support the business sector, such as chambers of commerce, trade associations, etc.

While many would agree with this definition, we consider it rather too broad for the meaningful analysis of politics and regime change.

According to Bernhard (1993: 307), civil society “constitutes the sphere of autonomy from which political forces representing constellations of interests in society have contested state power.” In this definition, *contesting state power* is a critical point. In any society there will be organisations that are relatively autonomous from the state but which do not engage in overtly political activity. For example, generally apolitical civic organisations can include sporting clubs, charitable, and welfare-oriented associations.

Politically active groups usually include political parties, trade unions, employer and professional associations, women’s groups, student organisations,



peasant and ethnic associations, politically activist non-government organisations, and social movements. As Bernhard (1993: 308) emphasises, these groups are creating a “public space.” In the European context, these groups were able to “autonomously organize themselves outside the dominant official political sphere and to compel the state through political struggles to recognize and respect their existence.” These groups seek to be regularly involved in political actions that are meant to advance the interests of their members or the wider society. Such groups are not usually spawned by the state but exist in a relationship with the state.

Using a definition of civil society that emphasises that it is politically organised is not uncontroversial amongst those who conceive of civil society as *any* organisation that exists outside the state. This approach to civil society has been relatively common in modernisation perspectives of development in Asia (see Pye, 1990; Huntington, 1991). The modernisation approach often presumes a relationship between economic development and political change, speculating that the breakdown of authoritarian rule was inevitable as economic growth promoted the development of civil society, driven by the growth of middle and business classes. These developments, it was argued, inevitably meant that new structures came into conflict with authoritarianism and saw democracy take root.

Equating capitalist development with a more developed civil society has been a common assumption (see, for example, Girling, 1988: 332). In other words, a strong capitalism is theorised as a prerequisite for the emergence of civil society and democracy. As the cases of Singapore and China suggest, this may not always be true. And, as we have already observed, civil society organisations may exist but are not necessarily political in their orientation. More recently, this approach has been modified to include “social capital” and “networks” as prerequisites for the emergence of the “trust” assumed necessary for civil society organisations to emerge and persist (see Richmond, 2006: 18–19). This results in a variety of political archaeology, seeking the culturally embedded antecedents of civil society and democratisation.

The outcome of these perspectives is a romantic view of civil society as the natural domain of individual and group freedoms, contrasted with the state which is viewed as a set of coercive institutions and relationships. However, as Rodan (1996) points out, civil society is naturally reflective of the variety of divisions of society, and is not necessarily liberal or democratic.

The implied assumption that “strong states” mean “weak societies” also blinds us to the range of configurations in state-civil society relations. At the same time, as we noted above, the emergence of civil society is not an historical end point, but may be seen as a product of the ebb and flow of Bernhard’s public space that we call *political space*, where the degree and breadth of that space

for political activism has much to do with the state (Hewison and Rodan, 1996). While it is true that civil society organisations can expand political contestation beyond narrow bases in formal political structures, powerful ruling classes and state powers can dominate these organisations, which may also act as instruments of authoritarian power and ideologies.

We may also observe that the autonomous civil society organisations require and desire a relationship with the state. Bernhard (1993: 326) points out that this autonomy must eventually be legally sanctioned by the state. The state must establish boundaries to define an autonomous space and protect it from its own interference. In essence, the state defines what is to be considered “political” and “legitimate”. In return for the granting of political space, the organisations occupying it are expected to engage in self-discipline in return for the protection afforded them.

To conclude this discussion of “civil society” we suggest that the use of the term for contemporary Burma is potentially misleading. Where Richmond (2006: 18) calls for a broader definition of civil society, we suggest a narrower approach that eschews the broad definition of civil society in favour of a focus on civil society organisation that is political. Hence the focus is on political oppositions or what some identify as “political society” (Ngok, 2007: 10) or “political civil society” (Thayer, 2009). This approach acknowledges the development of a range of non-governmental organisations, community-based organisations, and even government-sponsored civic associations. However, it in turn gives analytic attention to “non-violent political, advocacy, labour and religious organisations and movements that seek to promote human rights and democratisation in authoritarian states” (Thayer, 2009: 1–2). In other words, these are organisations that seek to establish and expand the political space available for non-state actors.

## **Politicised Civil Society in Burma: The Ebb and Flow of Political Space**

We may now turn to a brief consideration of the ebb and flow of political space in Burma, from historical times to the present.

Most authorities consider the emergence of civil society in Burma to be a modern or a colonial phenomenon (see Steinberg, 1997). For the pre-colonial period in Burma, it is argued that there was a unity between state, society, and economy brought about by the need for the kings to maintain order and security itself, thus necessitating an involvement with the symbolic and spiritual life of society (Taylor, 2009: 67, 72–3, 83). While this is a simplistic and unchanging representation of pre-colonial rule that ignores conflicts, class, and status distinctions, it is true that imperialism and colonialism confronted old political

structures. Colonialism brought new ideas about science, economics, and politics that challenged the old order, not least by providing a different perception of how society was to be organised and managed.

Part of this was seen in the fact that colonial forms of government and control required a new administrative class that was largely indigenous. This was the class of “essential collaborators”, schooled in the colonial system, that some of the more radical nationalists came to see as “bloodsuckers” (Owen, 2005: 210–2).

Colonialism brought forth domestic political responses. As the British took Upper Burma in 1886, there was considerable and widespread opposition. The British regained control with ruthless repression and through the large-scale relocation of people. This opposition represented a combination of the breakdown of old political structures and the rise of “patriotism” (Myint-U, 2001: 200–4).

With British rule established and colonial structures developing in place of, and around indigenous structures, further political changes took place that allowed the emergence of what may be identified as a vigorous and increasingly politicised civil society within what was essentially a new political space. This space was granted by the colonial state in response to pressures that were both domestic and international. We concentrate on the latter, noting that the organisations that emerged both supported and opposed the colonial state.

From about the 1870s, Taylor (2009: 125, 134–5) identifies a middle class emerging from the economic and political changes wrought by colonialism. He sees this class as composed of landowners, those in the trade, industrial, and commercial sectors, and independent professionals and those in government service. This class was to be at the centre of movements associated with the emergence of several political movements. The activism that was to be associated with the still small but expanding middle class was the expansion of printing and publication. The first printing presses were introduced in the late 1860s, and became very active, especially in Rangoon (Myint-U, 2001: 152). Journalism was to become important to the nationalist movement. At the same time, newspapers did more than simply report as they encouraged reflective essays and literature (Owen, 2005: 240). This assisted in generating common ideas about the broader development of society.

The development of the middle class was also associated with the blossoming of “voluntary associations” from the late 19th and early 20th centuries, ranging from social and literary clubs to interest groups and welfare associations. Mainly urban-based, these new associations tended to reflect the increased complexity of the city. Founded and populated by the mainly English-speaking products of the colonial education system, these associations were not all politicised. However,

some of them invariably bumped up against aspects of colonial policy that often had them expressing dissatisfaction and disagreement (see Owen, 2005: 259–60). However, as we will note below, it was not just the middle classes that became politically active.

Commenting on these broader changes in Burmese society, Taylor (2009: 149) notes that political and economic development was especially rapid, observing that within fifty years of colonial imposition, locals had developed “indigenous ideas and organizations” that had all the trappings of the “modern state”—what we would call politicised civil society—including political parties and mass movements, debating common ideas about colonialism and arguing about how the society and state should be organised. In fact, according to Taylor (2009: 156), it was the Karen National Association, formed in 1881, that was the first “Western-style voluntary political organization in Burma’s history.” Indeed, it was not just the first nationalist political association in Burma, but one of the first in all of Southeast Asia.

Much of the political activism that emerged inevitably challenged the inequities and contradictions inherent in colonial policies and administration. When the British moved to develop some limited political space—for example, by 1883, two-thirds of the Rangoon municipal government was elected—it seems that there was not an immediate rush by locals to fill the expanded political space. This was a reflection of the limitations on this space that was defined and imposed by the colonial state. As Taylor (2009: 124) observes, the colonial state might have tried to create “democratic models of legitimacy through...extending self-government, [but] the contradictions between the British veto and national self-government, and the domination of external economic and military forces” meant that the colonial state was unable to garner the acceptance it desired through the limited development of political space that it permitted.

While there was limited acceptance of the political space granted by the colonial state, there was also a growth of local political movements, with the best known examples being the Young Men’s Buddhist Association (YMBA) and the General Council of Burmese Associations (GCBA or Myanma Athin Chokkyi).

The colonial state had no official connection with Buddhism, severing the link that had been maintained by the pre-colonial state. Nevertheless, Buddhism not only survived but prospered, establishing itself as an unrivalled dominance as a “school of thought” (Myint-U, 2001: 241). Perhaps ironically, it was this school of thought that was taken up by many Burmese who operated in the new secular institutions established with the colonial state.

The YMBA, formed in 1906, grew out of a range of localist precursor organisations that wished to reinvigorate Buddhism’s cultural role. Initially, then, the movement was not political. However, the YMBA was nonetheless

an indigenous attempt to shape modern ideas regarding identity separate from British-imposed models (Owen, 2005: 324). It is usually said the YMBA became politicised via an overtly cultural issue that involved a bitter confrontation over the wearing of shoes in temples. This issue came to be defined in political terms because it was seen to challenge the rights of the British colonial masters. When the British agreed that individual abbots could make a ruling on the issue, the developing nationalist movement saw this as a political victory (Kratoska and Batson, 1999: 282).

When the British left Burma out of its plans for a limited self-government in India, the YMBA responded by requesting that Burma be split from India, pointing to the differences between the two colonies and fearing that the administration of Burma might end up in the hands of Indian politicians (Owen, 2005: 325). Following protests, the British Parliament agreed to dyarchy in Burma, beginning in 1923. From this time, the issues of collaboration, cooperation, and co-option became critical issues for the anti-colonial movement (Kratoska and Batson, 1999: 283).

Despite these actions and successes, the YMBA was factionalised, and split in 1921, over dyarchy and the nature of local rule. The result of the split was the formation of the GCBA (Kratoska and Batson, 1999: 282–3). The GCBA drew together some 200 branches of the YMBA (Taylor, 2009: 180). Kratoska and Batson (1999: 282–3) assert that the very name of the council indicated its modern anti-colonialism and that it was prepared to support actions broadly in the society. One of its first actions was to support a strike by students at Rangoon University.

In the 1920s, the GCBA was active, not just in cities, but took nationalist messages to the countryside. Iletto (1999: 236) claims that GCBA-organised rallies were “huge and colourful affairs”, protesting discrimination and calling for freedom, progress, unity, and a just and moral order. Iletto observes much that was neo-traditional in these events, but it is also noticeable that there was much that was modern. While Taylor sees the GCBA as being dominated by middle-class lawyers, journalists, landowners, and business people, he acknowledges that the GCBA mobilised people from a wide spectrum across the society (Taylor, 2009: 165, 181). The GCBA was supported by the General Council of the Sangha Samaggi (GCSS), a parallel organisation of monks formed in 1920.

Before long, GCBA leaders were standing for election for the eighty elected positions in the 103-member Legislative Council under the new 1923 constitution, and while this was seen by radicals as a sell-out to the colonial regime, it is also true that these leaders were attempting to take advantage of state-allocated political space. The population, of course, largely rejected this state-sanctioned space, with just 7 per cent voting in the first elections. As elections continued,

however, nationalist parties were increasingly represented (Ileto, 1999: 237; Owen, 2005: 326–7).

Splits in the nationalist movement over its relationship with the colonial overlords weakened the movement as a whole (Kratoska and Batson, 1999: 283). The GCBA also split, giving birth to new movements and parties (Taylor, 2009: 185–7). While such splits may be seen as destructive and negative, the extended debates that resulted can also be viewed as indicating an expanding politicisation. Indeed, one outcome was an increasing radicalisation of Burma's anti-colonial politics. Importantly, this radicalisation included peasants. As Taylor (2009: 190) explains, the “speed with which peasant political organizations developed in the 1920s, in league with, or in opposition to, the plans and programs of the political elite, demonstrates awareness of the opportunities available in altered [political] circumstances.” These organisations linked with those of the GCBA and GCSS in promoting patriotic and nationalist causes.

This increased militancy was evident in the well-known 1931 Hsaya San Rebellion. Hsaya San, the leader of the rebellion, was a traditional healer, expert in the traditional magical arts, and sometime a monk, who had joined the GCBA in 1924, and became, in Ileto's terms, “the perfect leader of a Burmese mass movement.” While some see this movement as a “pre-nationalist” (e.g. Owen, 2005: 254), this seems an unwarranted characterisation. For, as Ileto (1999: 239) claims, Hsaya San's Buddhism, his capacity with the magical arts and his membership of the GCBA had seen him “traverse ... the older terrain of resistance before joining a modern organization.” Hsaya San was disappointed that the elite leadership had abandoned militancy for cooperation and hence formed his own more radical group. Hsaya San's rebellion required considerable military force to defeat it (Ileto, 1999: 240; Kratoska and Batson, 1999: 284; Taylor, 2009: 199).

Educated and Westernised nationalists were also attracted by the symbols and rhetoric of modern movements like socialism and Marxism. These ideologies were especially attractive as the Great Depression had deep impacts (Kratoska and Batson, 1999: 248–9). Students in Rangoon were especially attracted to radical ideas and it had a remarkable impact on elite politics, especially as they tended to support the peasants (Taylor, 2009: 163–4). The mushrooming of youth movements, student unions, and so on—with 230 such organisations formed in the first half of 1938—meant that students also had broad political impacts (Taylor, 2009: 205). They were active in strikes and also took over the We Burmese Association (Dobama Asi-ayone) from older and more conservative leaders. This group included Aung San, and students who were to become part of administrations in the 1940s and 1950s (Owen, 2005: 329).

Nationalist agitation increased throughout the 1930s, and included frequent strikes and demonstrations. When Burma was finally separated from India in 1937, a “Burmese administration” was established with its own prime minister and an elected House of Representatives (Owen, 2005: 328). However, the British reserved critical spheres for themselves, including defence, security, foreign affairs, and the “excluded areas”. More radical nationalists wanted less British interference and demanded fundamental concessions, including a commitment to full independence (Kratoska and Batson, 1999: 285).<sup>4</sup> By the mid-1930s, there was also an increased militarisation of the nationalist movement. Virtually every religious, student, and nationalist organisation, along with conservative politicians, had established private armies (*tats*). Remarkably, these armies were permitted by the British authorities (Callahan 2003: 36–7).

The middle class, increasingly urban and “white collar,” was not left behind by this sweep of radicalism but was also challenged by it. Taylor (2009: 139) provides data that shows that, in 1931, middle class sectors of the economy were large employers, with Burmans tending to dominate in these sectors. This middle class formed the core of the urban political elite while most of the colonial state’s elected local bodies were dominated by business people and landowners (Taylor, 2009: 166–7). At the same time, the interests of this class were not congruent with the more radical, often peasant, and working class, elements of the nationalist movement.

After the Second World War, the Anti-Fascist People’s Freedom League (AFPFL), led by Aung San, evolved as the paramount nationalist organisation that would finally achieve independence. Initially founded in 1944 as an anti-Japanese resistance force encompassing Aung San’s Burma National Army, the Communist Party, and the People’s Revolutionary Party (later Socialist Party), the AFPFL was joined after the war by other parties and different autonomous and civil organisations like the Karen Central Organisation, Karen Youth Organisation, Burma Moslem Congress, Women’s League, All Burma Trade Union Congress, All Burma Peasants Union, and so on. In the run-up to independence, when he led the interim government, Aung San suppressed opposition to the AFPFL, especially by the communists. He stressed the necessity of a unified and centralised AFPFL that represented the totality of society and obviously struggled with the question on how far the state could allow political dissent and civil liberties (Prager, 1998: 184–8). However, as main arbiter in the

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<sup>4</sup> “Ethnic minorities” were not immune to this expanding nationalism and Kratoska and Batson (1999: 301–3) briefly discuss Karen, Shan, and Muslim nationalisms. The Burma Moslem Society was formed in 1909. They were often in conflict with Burmese nationalists.

constitutional process, he opted for the British model of parliamentary democracy and its guarantees of civil liberties, the separation of state and religion, and the subordination of the military under civilian control (Prager, 1998: 284–5; 315). These were critical and important state decisions that permitted considerable space for political activism.

After independence, under the civilian government, a broader civil society also developed and, as Steinberg (2001: 105) remarks, “considerable space did exist between the state and society.” A range of social, literary, and welfare organisations developed and so did numerous political parties and organisations. This became a most turbulent period as the expanded political space came to be occupied by organisations that included communists, worker and peasant unions, universities, and broader political movements and political parties.

It is sometimes argued that it was U Nu who altered Aung San’s vision when he attempted to develop a political structure that synthesised Buddhism and socialism, causing opposition amongst non-Buddhist ethnic groups. Ultimately, however, the main threat to civil politics and expanded political space were the multiple insurgencies that troubled the newly independent state from the outset. Pre-occupied with its survival and security, the state relied on the highly politicised army and armed volunteers to cope with the crisis and could not establish administrative normalcy.

This sapped the power of the state and the AFPFL split in 1958 further weakened and unsettled the central, political leadership (Prager-Nyein, 2010). That was when the military began to assert its power, with General Ne Win being “invited” to form a “caretaker” government that was to restore order and call elections after eighteen months. Ne Win returned state responsibilities to a civilian government in 1960, but ultimately supplanted the entire political and economic system in March 1962 by coup d’etat.

Beyond questions of legitimacy or the claim of a necessary re-establishing of a central political order, Callahan (2003: 159–71) provides an analysis of why the military succeeded in asserting the power of the Burmese state. She argues that the security threats posed by the insurgencies and then by intruding Kuomintang troops in the early 1950s gave impetus to an unprecedented modernisation and rebuilding of the army as institution. The army could continuously extend its expertise and control over political and economic matters and centralise its structure while other state institutions, parties, and civil society organisations lagged in terms of modernisation and centralisation. Eventually, this building of the military as institution enabled it to transform itself from “war fighters” into “state-builders” (Callahan 2003: 204–6).

When the Revolutionary Council re-asserted control, it ostensibly aimed at sorting out continuing political chaos and maintaining national unity, seeking to



reverse the post-independence disintegrative tendencies. It seems that these tasks demanded the complete elimination of civil society—identified as the source of political chaos. The military snuffed out opposition movements and closed down political space. The extent of this closing is remarkable, with only institutions that were dependent on the military being permitted (Taylor, 2009: 295).

Immediately on coming to power, the junta closed down the legislature and the ethnic state councils and transferred all legislative, judicial, and executive power to the Revolutionary Council chairman. Within months of the coup, as civilian political leaders refused to form a political alliance with the military, all political opposition was declared illegal, and all educational and cultural organisations were taken over or shut down. At the same time, the military took control of the *sangha* and the press, enforcing strict censorship.

As an alternative to the pre-existing civil society, the junta established its own mass organisation and set about mobilisation that actually amounted to massive control (Owen, 2005: 499; Taylor, 2009: 295–331). The result was that the military and the leadership closed all independent political space, while Ne Win fostered the image of the military as the vanguard of Burma's post-colonial, social revolution. He claimed that the army would undertake the historical task of building socialism in accordance with the original vision of the revolutionaries of the independence struggle, a goal that the civilian politicians had betrayed (see Prager, 1998: 361–5).

In 1974, the military dictatorship acquired a civilian veneer by introducing a new constitution and a Marxist-Leninist style, single party governance of the Burma Socialist Program Party (BSPP) largely made up of active and former military officers. The BSPP was a “civilian twin” of the military with the chairman, Ne Win, micro-managing army and party. The military was not always able to control without a struggle. The counter-insurgency war against several ethnic groups and the Burma communists in the border areas formed a constant, and it had to crush multiple student demonstrations in 1962, 1967, and 1974, as well as the workers' movements in 1974–5, and the pressures that led to 1988.

## **The Re-Consolidation of Military Rule since 1988**

Since the nation-wide uprising in 1988 and the military's reassertion of its political power, its regime has described itself as a “transitional government” that will lead Burma to democracy and national reconsolidation. With a new constitution in hand, it has announced that it plans to hold multi-party elections in 2010. This process will not end military dominance in Burma, but some analysts view it as a beneficial first step that will ultimately open up political space and change the allocation of power in Burma.

We suggest that rather than political expansion, the process completes the military's *expansion* of its role at the expense of political activism, pushing back the citizenry and severely constricting political space. The new constitution is codifying the dominance of the military within what might be a "civilianised" political system. The 2010 elections completes a process that started two decades ago, when the State Law and Order Restoration Council (SLORC) reacted against the 1990 elections results.

In the early 1990s, the regime was pre-occupied with restoring its grip over the state apparatus and containing the political space that had emerged in course of the 1988 uprising. With General Khin Nyunt leading negotiations, the regime entered into ceasefire agreements with armed communist and ethnic groups that had long fought the central government. By doing so it also undermined the sometimes shaky alliance that had formed between the political opposition and ethnic insurgents after 1988. Moreover, Khin Nyunt began strengthening ties with regional countries, leading to Burma's ASEAN membership in 1997, deflecting some of the international pressure the regime faced.

Domestically, the regime weakened the opposition through arrests and repression and through the drawn-out National Convention process. Even though the convention was adjourned in 1996, after opposition leaders had repeatedly questioned the slow and prescribed process, the convention remained a key regime political strategy. Meanwhile the regime modernised and expanded the military and transformed a former infantry-dominated, counter-insurgency force into a more conventional force with almost half a million troops.

In 2003, after the renamed State Peace and Development Council (SPDC, in 1997) had consolidated its power, it resumed the constitutional process and announced a "Seven-Step Roadmap" to "a genuine and disciplined democratic system" (*The New Light of Myanmar*, 31 August 2003). Over 1,000 largely hand-picked delegates discussed the basic principles for the future constitution until September 2007, in a newly composed National Convention, but with little capacity for meaningful input as the process was closely supervised. In a national referendum in May 2008, just a few days after Cyclone Nargis had devastated Burma's delta region, allegedly more than 92 per cent of voters gave their approval of the new constitution (Taylor, 2009: 487).<sup>5</sup>

The elections scheduled for 2010 will mark the final step on the "Roadmap to Democracy" and will determine the composition of the legislative bodies (*pyithu hluttaws*) and the executive government. According to the new constitution, the

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<sup>5</sup> It is noteworthy that a scholar such as Taylor cites the military's figures on the referendum without a word of caution or criticism.

military will be beyond civilian control, and will nominate and hold 25 per cent of the seats and positions in legislative and executive bodies at all administrative levels. Moreover, it will be in charge of defence, security/home affairs, and border affairs, apparently without civilian oversight. The constitution also provides a two-step “*coup d’etat* clause” where, in a state of emergency, the president exercises executive and legislative power and, in a second step, when a state of emergency is declared, the president will transfer legislative, executive, and judicial powers to the commander-in-chief of the Defence Services (2007 National Convention, Chapter [I], 28, [XI], 4, 8, 9; and the 2008 Constitution, *Pyi daung su thammata myanma nain ngan daw phwe si bon aye khan ubade mukyan*). The constitution thus provides for a seemingly civilian-controlled government, while maintaining the military’s predominant role.

That the military is finalising the constitutional process at all is a positive sign for some analysts. As Pedersen (2007: 237) puts it, “The Burmese generals would not be the first to underestimate the processes set in train by what began as closely managed reforms from above”. However, a closer look at the current state of Burma’s governance and civil-military relations indicates that the generals do not underestimate the potential for political processes to develop. As the following sections will show, they are prepared to prevent changes to power relations in the future political system.

## **Corporate Identity and Institutional Coherence of the Burmese Military**

Stepan (1988: 55) described the decomposition of the coercive apparatus as one of the major factors in the process of opening up military regimes to civilian influence and initiating change in the overall power relations. As briefly indicated above, so far Burma’s military regime has been successful in preserving its coherence. More precisely, it prevented the decomposition of its coercive apparatus and thus any possible exercise of influence from civilians.

Dissidents and analysts alike have often interpreted purges and reshuffles in Burma’s military as indications of institutional upheavals, rifts between military factions, or an imminent change of leadership, seeing such fissures as signalling a potential decomposition. However, the regime has proven to be astonishingly resilient and has successfully subordinated all national interests to its corporate interest and continuing institutional coherence.

The best example of a potential disintegrating moment came in October 2004 when the powerful General Khin Nyunt and his loyal officers were purged and his intelligence apparatus dismantled. Khin Nyunt had created a supra-entity within the military that had caused structural tensions with the army. With

considerable power concentrated in his hands, Khin Nyunt had become a threat to the two other leading SPDC generals, and he was ousted.

This case illustrates that despite the crucial role he played in modernising and strategising SPDC policies that secured the survival of the regime in the first years after 1988, the threat he posed to the coherence of the regime by building up his own power base within the coercive apparatus outweighed his institutional value. When they removed him and his officers, the regime wittingly forfeited the “brain” of the SPDC, and the intellectual capital of his intelligence corps in the interests of the greater corporate good.

The purge restored the unity of the coercive apparatus, and strengthened the centralised command structure under General Than Shwe. Since the purge, the composition of the top leadership in the SPDC has remained consistent. Only lower SPDC positions, as well as those in the ministerial cabinet and higher military administration, seem to undergo reshuffles. Such reshuffles have proven a reliable tool in maintaining a steady circulation of personnel to prevent the formation of internal factions and power bases within the military. Moreover, they give officers a calculable prospect of upward mobility within the administration and regional commanders can expect to move into cabinet positions.

In the first decade after 1988, the command structure was considered unstable with powerful, regional commanders causing tensions within the SPDC leadership. Today, with an intermediate layer of five generals in the SPDC who control the regional commanders, a central command structure and well-defined hierarchy is in place and is yet to be contested. The centrifugal power of the regional commanders seems to be controlled and the institutional coherence of the regime strengthened.

The military has taken precautions in the new constitution not to compromise the coherence of its apparatus. As mentioned above, it will be in complete and unchecked control of internal/home security and defence matters without interference from civilians.

## **The Military-Economic Complex**

The military’s deep integration in Burma’s economy is another reason for pessimism regarding a transfer of political power and an opening up of political space. The new constitution defines the future economic system as a free market economy without monopolisation and minimal state intervention. However, since 1988, the regime has established a wide range of economic interests whereby the military elite essentially controls the formal sector and holds a monopoly over natural resources. This military-economic complex narrows the space for

non-military business development and allows the regime extensive off-budget financing and thus poses a major obstacle for any change in the power relations.

At the same time, the SPDC has expanded the military budget from USD1.99 billion in 1999 to some USD6 billion per year in 2005 (Cordesman and Kleiber, 2006: 9).

This military-economic complex emanates from the privatisation of state enterprises and “market-oriented reforms” that have allowed the military to build and control an essentially opaque web of state-owned private enterprises and conglomerates. These enterprises are generally managed through one of the ministries and operated by active and retired military officers. The largest conglomerates are the Union of Myanmar Economic Holdings Limited (UMEHL) and the Myanmar Economic Corporation (MEC). These military-controlled enterprises engage in manufacturing, external trade, tourism, finance, banking, mining, the gem trade, timber, oil and gas, hydropower, construction, real estate, and retail operations.

Since the regime maintains such economic control through its ministries and conglomerates, positions in its upper echelon, from SPDC generals to cabinet ministers and regional commanders, are the source of vast economic opportunities, patronage, and licenses. Licenses and concessions have been the key to the SPDC’s “privatisation” policy, engendering rampant corruption. Such licenses are doled out to family, friends, and cronies. The system has generated many a tycoon and a *nouveau riche* elite whose fortune, however, does not provide an independent source of political power. They remain obligated and bound to military patrons and exposed to the caprices of their political fortunes (Lintner, 2005).

Contrary to the official propaganda about constant national economic growth and development, the military elite clearly accords priority to its corporate and private interests. It has not shown any sign that its pervasive control over Burma’s economy and economic development is likely to change.

## **Eclipsing of the Citizenry**

The first article of the new constitution states that the sovereign power derives from the Burmese people. The state newspaper *The New Light of Myanmar* (*Myanmar Alin*) makes daily claims that the military government pursues the democratic process against great odds and in accordance with what it calls the “people’s desire” or “people’s mandate”. However, the relationship between the military-ruled state and civilians remains highly coercive.

Callahan (2003) points out that the way the state dealt with certain internal crises in colonial and post-colonial Burma made coercion in civil-military

relations a practice. Her claim that the military is unable to distinguish between citizens and enemies of the state has been confirmed most recently in September 2007, when marching monks were perceived as “state enemies” to be defeated.

This perception is underpinned by an institutionalised elitism and a disdain for civilians and politicians among the upper echelon of the military that goes back to the 1950s. Its involvement in administrative, political, and economic matters has nourished the idea of extensive competencies within the military.

As noted above, Ne Win’s regime destroyed and then prevented the emergence of any independent political organisations. The SLORC/SPDC policy after 1988 tried to subdue the citizenry further into a compliant and mute entity. Political dissidents and members of the political opposition remain in detention.

Apart from repression, no coherent strategy in dealing with politicised civil society is discernible. In general, the regime intervenes whenever it senses a threat perception, usually when an organisation—even a civic organisation—or individual becomes too successful and attracts too many members or followers. The most famous example is the Rangoon-based Free Funeral Services Organisation that is continually harassed.

Rather than develop a broad civil society, the military state tries to suppress or to co-opt those civic organisations that have developed. Often this is because of the state’s own weakness in providing services such as basic education (Lorch 2008). In general, the state tries to control and direct society through government-sponsored organisations like the Myanmar Women’s Affairs Federation, Myanmar Fire Brigade, Myanmar Red Cross Society, and so on, led by active and retired military officers. The Union Solidarity and Development Association (USDA) is the largest government-sponsored mass organisation and the civilian face of the military. It has an estimated 20–25 million members. Its patron is General Than Shwe and ministers are members of the central executive committee. USDA propagates the government’s objectives and organises mass rallies, conducts military training, and undertakes social and community services (Steinberg, 2006: 46, 93). It is increasingly involved in policing measures and harassment of activists aided by a militia group, Owners of Vigour (*Swan Ah Shin*). Both groups were reported to have taken part in the crackdown in September 2007 (Pinheiro, 2007).

Meanwhile, the NLD and other political opposition groups are harassed and accused by the regime of trying to “destruct” and “derail” the democratic process. Nevertheless, several dissidents have indicated their intention to take part in the 2010 poll, and make use of any political space that might open up, although officials try to discourage such moves. For example, veteran politician and former political prisoner U Thu Wai was permitted to hold a press conference in September 2009 to announce the formation of his Democratic Party, but

officials banned the reporting of this event in newspapers and magazines (*The Irrawaddy*, September 24, 2009).

It is also interesting to note that during Ne Win's one-party rule the citizenry was officially called "working people" (*lok tha pyi thu*), reflecting its socialist rhetoric. Today, the military regime has no clear designation for the citizenry and refers to it occasionally as "basic class", which means in Burmese literally "the class on the bottom" (*a kye khan luh than: sa:*), a term that aptly refers to the actual position of civilians in the state, as a kind of leftover class, de-coupled from the military class at the top of society.

The growing gap between the military and the "class at the bottom" is epitomised by the new capital where the SPDC has removed itself from the population centres. Far from the big cities, the location enhances the probability for the administration to remain a secure command and control centre. The new constitution pays great attention to the capital Naypyidaw and rules that it is placed under direct administration of the president. Often described as emblematic of a regime that is rooted in Burma's pre-colonial tradition, Naypyidaw may be read as a very modern statement of the military regime's view of its historical position and its remoteness from the citizenry.

## **Historic Mission and Hybrid Professionalism of Burma's Military**

The ideological makeup of the military regime is a significant factor in the restrictions on political space and civil society. Cloaked in hyper-nationalist garb, the military proclaims the idea of its "historic exceptionalism" and its role as the sole guardian of the nation. This conviction provides the military with justification for defending its power position and maintaining the war against "state enemies".

The military has established itself as *the only* institution capable of safeguarding and building the state and nation. In every military publication and official newspaper, three main objectives can be found that serve as constant policy guidelines: to prevent the disintegration of the nation, to unify the multi-ethnic nation, and to preserve national sovereignty. As Senior General Than Shwe (2005) explained to graduates from the National Defence College, only the military determines the "eternally right policy for the nation".

As the guardian of the nation, the military is always the one to save and rebuild the nation in times of crises. However, its approach to building the nation leaves room for ideological adjustments. While Ne Win promulgated the implementation of a socialist system as his historic duty, the SLORC/SPDC government easily jettisoned the socialist rhetoric.

The current historic, nation-building mission is defined in terms of rebuilding the nation after the 1988 crisis, and transforming the socialist economy and the one-party system into a “free market economy” and a “multi-party system.” The government repeatedly points out that it is not simply a caretaker government that maintains law and order but, as Than Shwe has said, “a transitional government of historical necessity which is undertaking a state transformation” (*The New Light of Myanmar*, 17 November 2007).

Crucial for the current mission is the recognition that the economy is critical to the military’s institutional and national interest. Officers are expected to become knowledgeable in economic matters to be able to fulfil their extended political and military tasks in building a strong military force and a wealthy and technologically developed nation. Vietnam and China might provide models of capitalist development without major regime disruption (*Irrawaddy Online*, Intelligence Report, September 2007), but even these models do not entirely fit the Burmese military’s needs.

It is not difficult to construe from the ideological underpinning of the military and the above mentioned “*coup d’etat* clause” in the new constitution that the future political system is but a lead up to the next phase of political development where the military will be entitled to intervene in national politics. Than Shwe has made it clear that the military’s historical task is to stay engaged in politics.

Since the 1950s, Burma’s military fits the definition of “new professionalism” since it has progressively expanded its role beyond the management of state violence. It has equipped its officers with the extended competencies and skills required to manage state and economy. However, in recent decades we can observe a further expansion of its already extended role culminating in the present where the military is required to provide leadership in all spheres of state and society.

Thus, under the current regime, the educational institutions of the military have expanded to provide the professional skills and expertise for the officer corps. While the national education system suffers from a lack of funds, the military maintains well-funded and exclusive higher education institutions. Of course, starving the non-military educational system also “manages” the long-standing militancy of university students.

The graduates of the military’s educational institutions join the ranks of what we might call “hybrid professionals.” It is remarkable that these officers are not only military professionals but also highly specialised in civilian professions, thus taking “new professionalism” to another level. Whether this form of “new professionalism” leads to an opening up of the military, however, remains hypothetical. Currently, it looks like another step by the military to become



independent from civilians and civilian experts, and to foster its power position in a future “civilianised” system.

## Conclusion

In an article published in *The Irrawaddy* (28 April 2009), Erik Solheim, Norway’s development minister, called for a review of Norwegian Burma policy with enhanced economic engagement and less attention to the isolation of the regime through sanctions. One reason for this call has to do with the recognition that sanctions appear to have failed to achieve tangible and positive changes to regime policies. At the same time, Solheim appears to draw a link between economic growth, the emergence of a middle class, and political reform.

The case against sanctions would seem reasonable and has been taken up by a range of commentators urging a re-engagement with the regime ranging from influential émigré activists like Thant Myint-U (2009) to some US politicians like Senator Jim Webb (see DeYoung and Lynch, 2009). While some well-informed observers continue to dissent on sanctions (see Vicary and Turnell, 2009), in our view, the main problem with Solheim’s perspective has to do with assumptions regarding the emergence of civil society dominated by a middle or business class. Our argument has been that these classes do not necessarily gravitate to political liberalisation, democratisation, or even more limited political reforms. The political role of business people and the professional middle class is contingent on the kind of relationship they have with the state (see Bellin, 2000). Where the relationship is dependent or compromised, these groups are unlikely to be a leading force for political reform (see Buzzi, 2009). Where a state is *actively constricting* independent political space, the role of these groups is likely to be compromised or complicit.

Likewise, the recent emergence of so-called civil society organisations, mainly in the form of NGOs and community-based organisations does not *ipso facto* mean democratisation is on the political agenda. We conclude that any discussion of “civil society” is potentially misleading if there is no attention to the potential for political oppositions or “political civil society”. It is important to acknowledge that the development of NGOs, community-based organisations, and even government-sponsored civic associations *may* lead to an expansion political space. However, as noted above, this opening requires actions by the state.

Our account is not optimistic on this count, and we view the state as continuing to be unwilling to relinquish control over even limited political space. The account provided in this paper of the development and then repression of political civil society in Burma is a dismal tale. After twenty years of direct rule,

the prospect of multi-party elections seems unlikely to alter the conditions of military rule and the nature of civil-military relations. The prospects for a real shift in the power relations remain bleak.

It is important to note that the SPDC regime is completing the constitutional process at a time when it has actually consolidated its power as never before. It is ending the “transitional period” not out of respect for democracy and its principles but because it can do so. It is in a position of strength and is confident that it will be able control the possible outcomes. The restriction of political civil society over more than four decades and the pervasive control of the military over the economy and the country’s natural resources suggest that any change is unlikely to be thorough-going. The constant funding stream that allows the military to sustain its power makes it almost inconceivable that it will willingly forgo control.

In recent years the constriction of political space that might be occupied by political opposition has increased rather than decreased. The military regime tries to mobilise the “basic class” in government-sponsored mass organisations to maintain control of politics and the election process, but civil society is strangled. With the military elite constantly expanding its role, skills, and expertise, there is not only an ongoing militarisation of civilian space, but a widening of the gulf between the military state and society.

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# **Constitution in the Scope of Parliamentarism and Authoritarianism: A Comparative Study on the 1947 and 2008 Constitution of Myanmar/Burma**

*Zhu Xianghui<sup>1</sup>*

## **1. Introduction**

Myanmar (Burma) has an estimated population of 48.8 million (IMF estimates) in 2007, with GDP of \$16.3 billion and per capita income of \$334 in 2007 (EIU estimates), and the Burmans account for 68 per cent of the population. Shans, Karens, Rohingya, Arakanese, Kachins, Chins, Mons, and many other smaller indigenous ethnic groups form about 30 per cent of the population. The area of Myanmar covers approximately 678,500 sq. km (The US Department of State, 2008).

Historically, Myanmar has witnessed three constitutions dated 1947, 1974, and 2008. Some patterns may weigh heavily in these constitutions, yet in particular, they may be categorised into three different classes: a parliamentary democratic one, a socialist one, and a market-oriented authoritarian one. In term of modern politics, it is for the constitution likely to be regarded as the index of a civil society, a yardstick of systematic design. In the case of Myanmar, however, as one brings both 1947 and 2008 constitutions to careful scrutiny, interesting discoveries are made beyond the textual lines and literal interpretation, despite the fact that the two incumbent authorities shared no patterns and intentions in common.

Both the 1947 and 2008 constitutional assemblies posed a measurement of political status quo, a demonstration of balance between rivalling political

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<sup>1</sup> Zhu Xianghui, Assistant Professor of Institute of Southeast Asia Studies, Yunnan University, China.

organisations. The two authorities faced various tensions either from ethnic conflicts and communist uprisings or from corresponding to urges of outside communities and inner yearning for perpetuated legitimacy.

There definitely exists a pattern of comparability between the 1947 and 2008 constitutions, which is attributable to the ostentatious similarities of federal arrangements of state structure, parliamentary, and procedures, not to mention that the differences are as much salient as the similarities are. The impact they had or may have on the course of the nation's political development may last for decades. Hence a closer scrutiny on both constitutions is desirable in the context of historical situation for better understanding of Myanmar's options between various modernisation drives.

From the viewpoint of this comparative study, the recent constitution which is bound to reshape the political ecology for Myanmar has given rise to a riot of speculations regarding the future political development. However, given the word limit, this comparative study does not intend to explore the entire constitutions, but focuses merely on the parliamentary and governmental sections. After offering a brief overview of the constitutional framework of the 1947 constitution, and its counterpart of 2008, this study compares and analyses their *sui generis* characteristics.

## **2. Adoption of the 1947 Constitution**

Before examining this topic, it is desirable to introduce the historical background of the 1947 constitution for reference.

### **2.1 An Overview**

After the overthrow of the Japanese occupation in 1945, the AFPFL had emerged as the major political organisation aiming at a free, independent and sovereign Burma. In November 10, 1947, the AFPFL announced its political initiative that Burma would be accorded full independence within a year. The British government acceded to the Burmese nationalists' demand and invited Aung San, the most salient AFPFL leader to London for a meeting. The negotiations at London were concluded expeditiously and the London Agreement was signed. It was agreed that a Constitution Assembly would be elected not by adult suffrage but under the machinery of the 1935 Act, including communal electorates. The eventual constitution document, when framed, would be promptly presented to the British Parliament for approval. A selected portion of the Constitution Assembly, functioning as an interim national assembly, would meanwhile prepare for Burma's independence, whether within or outside the Commonwealth.

In order to confer the future Union of Burma with Shan Sawbwa princes and with representatives of the Shan, Kachin, and Chin peoples, Aung San proceeded on February 7 to Panglong in the Shan state. The Panglong Conference reached a unanimous agreement that the political freedom of all peoples there represented would be guaranteed by immediate co-operation with the interim government.

The outcome of the April 1947 elections for the Constitution Assembly was an overwhelming victory for Aung San and AFPFL who won more than 173 out of 208 seats. However on July 19, Aung San and his colleagues were tragically assassinated by the ambitious and frustrated politician U Saw.

In spite of the interruption, occasioned by the crisis of July, the Constitution Assembly under Premier Nu's leadership completed its work by mid-September. The document was formally adopted and enacted on September 24, 1947.

## **2.2 Synopsis of the 1947 Constitution**

Generally speaking, the 1947 constitution, which was a liberal-socialist one, departed from traditional Burma institutions and that of the Government of Burma Act 1935, which was mainly transplanted from abroad, and borrowed heavily from a number of sources as follows: From the then French system came the provision for a president as titular head of the state, to be elected by vote of the combined houses of parliament for a five-year term. From American practice came the idea of promulgating a formal constitutional document based on the idea of popular sovereignty. Other borrowings from the United States included a statement of fundamental rights, the establishment of an independent judiciary capable of determining the constitutionality of legislative enactments, and a federal system under which the component states of the Burma Union were severally represented in the Chamber of Nationalities. The collective responsibility of the government to the Chamber of Deputies was a direct adaptation of British practice found in the Government of Burma Act of 1935. Furthermore, the entire body of legal principles and court procedure was carried over from the British period. Finally, chapters III and IV, relating to its socialist aspects were borrowed substantially from the constitution of Yugoslavia (John F. Cady, 1958: p. 560).

The 1947 constitution contains fourteen chapters and 224 clauses. The framework thereof is as follows.

### **2.2.1 The Nature of the State**

The preamble to the constitution of 1947 and Sec. 1 espoused a sovereign independent republic in the name of "the Union of Burma". Under chapters V and VI, a multi-party democratic system is provided by the constitution.

### **2.2.2 The Right of Citizen**

Citizens were guaranteed equality before the law, equal opportunity for employment and choice of trade or vocation, inviolability of person, dwelling, and property (1947 constitution: Sec. 14). It is furthermore stipulated that all citizens irrespective of birth, religion, sex, or race are equal before law (1947 constitution: Sec. 13). The state guaranteed the rights of equality and freedom by conferring all citizens with the right to express freely their convictions and opinions, assemble peacefully and form associations. Citizens also enjoyed freedom to reside, to acquire property, and to follow one's chosen vocation anywhere in the Union (1947 constitution: Sec. 17).

### **2.2.3 Religion**

Buddhism was accorded a special (but undefined) position as the faith professed by the great majority of the citizens of the Union (1947 constitution: Sec. 21, s. 1). The state shall not impose any disabilities or make any discrimination on the ground of religious faith or belief (1947 constitution: Sec. 21, s. 3).

### **2.2.4 Property Possession**

The ownership of private property and the exercise of private initiative in the economic sphere were guaranteed, but within limits which conformed to the public interests, and which prohibited monopolies and price dictation. Laws expropriating private property in the public interest should be "prescribe in which cases and to what extent the owner shall be compensated". Single enterprises and entire branches of the economy could be nationalised or acquired by the state if the public interest so required (1947 constitution: Sec. 23).

### **2.2.5 The Parliamentary and Governmental Arrangements**

The Union Parliament was bicameral, consisting of a Chamber of Deputies and a Chamber of Nationalities. Legislative right is vested both in the Chamber of Deputies and the Chamber of Nationalities; however the Chamber of Deputies enjoys special authority in initiating and passing money bills. Membership in the Chamber of Nationalities was allocated arbitrarily between the various component peoples of the Union, with seventy-two seats of the 125 going to non-Burman elements. The term of both chambers was four years as fixed by law. Religious orders (*Pongyis*) could be debarred from voting and from membership in the parliament. The Union government composed of the prime minister and other members shall be collectively responsible to the Chamber of Deputies (1947 constitution: Sec. 114, 115). In case the two chambers failed to reach agreement on a non-money bill, the deadlock was to be resolved by a joint vote of the members of the two bodies.



The titular head of the government is the president, therefore all executive action of the Union government shall be expressed to be taken in the name of the president (1947 constitution: Sec. 121, s.1). Yet the powers and functions conferred on the president shall be exercisable and performable by him only on the advice of the Union government. (1947 constitution: Sec. 63, s.1) Any bill not signed by the president shall become an Act as if he had signed it (1947 constitution: Sec. 111, s.2).

### 2.2.6 Military

Under Sec. 97, s.1, the right to raise and maintain military, naval, and air forces is vested exclusively in the parliament. It was furthermore provided in Sec. 122, s.b that the authority of the Union extends to the governance of any armed forces not raised in the Union, stationed in the Union, or placed at the disposal of the Union.

Except for defence in case of invasion, war shall not be declared and the Union shall not participate in any war save with the assent of the parliament (1947 constitution: Sec. 123, s.1).

### 2.2.7 Union Judiciary

The Union judiciary comprises the courts of first instance and the courts of appeal. The courts of first instance includes a High Court which has original and appellate jurisdiction and power to determine all matters and questions whether of law or of fact. The head of the High Court is called “the Chief Justice of the High Court” (1947 constitution: Sec. 134). The court of final appeal is called the Supreme Court. The head of the Supreme Court shall be called “the Chief Justice of the Union” (1947 constitution: Sec. 136, s.1, s.2). In addition, the decisions of the Supreme Court shall in all cases be final (1947 constitution: Sec. 138).

### 2.2.8 Union Formation

The councils for the three subordinate states (Shan, Kachin, and Karenni) and for two special districts (Chin and Karen) were severally composed of all the members of both chambers of parliament from the respective geographical areas and constituencies. A minister, after consultation with the respective councils, would hold posts in the Union cabinet. The several ministers were empowered to summon or prorogue the respective councils which were entrusted with responsibility for governing the subordinate areas (1947 constitution: Sec. 154–165).

### 2.2.9 Right of Secession

Finally, every state except the Kachin was accorded the right to secede from the Union after the expiration of a ten-year period from the date of the operation

of the constitution. The procedure for secession required holding a popular plebiscite, which should be initiated by the submission to the president of the Union of a formal resolution favouring secession, and approved by a two-thirds vote of the state council concerned.

### **3. Adoption of the 2008 Constitution**

The 2008 constitution is Myanmar's third, following the 1947 and the 1974 documents, which was shaped by the military leadership at the time, General Ne Win, and has undergone a period of fifteen years in the making. The full text of this constitution was made public only a month ahead of the plebiscite scheduled on May 10, 2008. Although the NLD and Western observers are looking askew to the legitimately contentious constitution, parliamentary elections there are scheduled for 2010.

#### **3.1 An Overview**

In March 1988, student-led demonstrations broke out in Rangoon, the then capital of Myanmar, in response to the worsening economic situation and evolved into a call for democracy. The demonstrations increased in size as many in the general public joined the students. During the mass demonstrations on August 8, 1988, military forces killed many demonstrators. At a rally following this incident, Aung San Suu Kyi, the daughter of General Aung San, assumed the role of opposition leader.

In September 1988, a military coup deposed Ne Win's Burmese Socialist Programme Party (BSPP), suspended the constitution of 1974, and established a new ruling junta called the State Law and Order Restoration Council (SLORC). In an effort to "restore order", the SLORC sent the army into the streets and cracked down the ongoing public demonstrations (The Ministry of Foreign Affairs of China, 2007).

The SLORC ruled by martial law until national parliamentary elections were held in May 1990. The results were an overwhelming victory for Aung San Suu Kyi's National League for Democracy (NLD) party, which won 392 of the 485 seats. However, the SLORC refused to honour the results or call the parliament into session, but instead imprisoned many political activists, inclusive of Aung San Suu Kyi, and maintained its grip on power.

The ruling junta changed its name to the State Peace and Development Council (SPDC) in 1997. In October 2004, hard-line members of the senior leadership consolidated their power by ousting Prime Minister General Khin Nyunt, and removing him and his allies from control of the government and military intelligence apparatus. In November 2005, the ruling regime

unexpectedly relocated the capital city from Rangoon to Naypyidaw. Naypyidaw is a sparsely populated district located approximately midway between Rangoon and Mandalay. In August and September, 2007, as popular dissatisfaction spread, Buddhist monks began leading peaceful demonstrations known as the Saffron Revolution. The regime renewed its crack-down, and detained monks and pro-democracy activists.

The junta proclaimed a seven-step roadmap to democracy and convened a national convention on January 9, 1993 to draft a new constitution. The national convention collapsed in 1996 after the NLD withdrew its participation. The junta reconvened the convention in May 2004, without the participation of the NLD or other pro-NLD ethnic groups. The national convention convened intermittently and in September 2007, the regime concluded the process of “drafting” principles for the new constitution. In October 2007, the SPDC appointed fifty-four persons to sit on the constitution drafting committee.

In February 2008, the government announced that it had completed its draft of the new constitution and would hold a referendum in May to be followed by multi-party elections in 2010. Cyclone Nargis hit the Irrawaddy and Rangoon divisions on the evening of May 2 and the morning of May 3, 2008. Despite the devastation from Cyclone Nargis, the regime insisted on carrying out the referendum, and voting took place on May 10 in most of the country and on May 24 in areas affected by the cyclone. On May 27, the government announced that 92.48 per cent of voters approved the constitution, with a 98.1 per cent voter turnout. However, Western observers and the NLD have deemed both the drafting process and the referendum to be deeply flawed. The next step is to hold a multi-party general elections in 2010 to produce parliament representatives to hand over power to a civil government.

### **3.2 Synopsis of the 2008 Constitution**

The 194-page, fifteen-chapter 2008 Republic of Union of Myanmar Constitution was drafted by a fifty-four-member State Constitution Drafting Commission in accordance with the detailed basic principles laid down by the national convention. This document makes part of the military government’s seven-step roadmap announced in 2003.

#### **3.2.1 The Nature of the State**

In Chapter 1 “The Basic Principles”, it is provided that the state shall be known as the Republic of the Union of Myanmar (2008 constitution: Sec. 1), and constituted by the Union system (2008 constitution: Sec. 8). In accordance with Sec. 7, the Union practices a disciplined multi-party democratic system. The state economic system is a market-oriented one (2008 constitution: Sec. 35). It

is further stipulated that one of the Union's consistent objectives is enabling the defence services to be able to participate in the national political leadership role of the state (2008 constitution: Sec. 6, f).

### 3.2.2 The Right of Citizen

Citizens are proclaimed to have freedom of conscience and the right to freely profess and practice religion (2008 constitution: Sec. 34). The state guarantees that citizens are free from discrimination either resulting from race, birth, religion, official position, status culture, sex, or wealth (2008 constitution: Sec. 348). Analogous to the 1947 document, citizens also enjoy equal opportunity in carrying out public employment, occupation, and business (2008 constitution: Sec. 349). Citizens are insured of the right of private property, the right of inheritance, and the right of private initiative and patent in accord with the law (2008 constitution: Sec. 37,c).

### 3.2.3 Religion

Buddhism, as in the 1947 constitution, is recognised with a special position as the faith professed by the great majority of the citizens of the Union (2008 constitution: Sec. 361). The abuse of religion for political purposes is forbidden (2008 constitution: Sec. 364).

### 3.2.4 Property Possession

It is a noteworthy breakaway from the 1947 constitution that the 2008 document prohibits the practice to nationalise economic enterprises (2008 constitution: Sec. 36,d), and not to demonetise the currency legally in circulation (2008 constitution: Sec. 36,e).

Also, the state encourages all economic forms such as cooperatives, joint ventures, private individuals, and so forth, to take part in economic activities for the development of the national economy (2008 constitution: Sec. 36,a). It is the responsibility of the state to improve the living standards of the people and development of investments (2008 constitution: Sec. 36, c), and to assist to promote the interests of the intellectuals and intelligentsia (2008 constitution: Sec. 25).

### 3.2.5 The Parliamentary and Governmental Arrangements

In accordance with Chapter 1 "The Basic "Principles", the three branches of sovereignty, namely legislative, executive and judicial power are separated, and exert reciprocal control and balance among themselves (2008 constitution: Sec.11,a), and shared among the Union, region, states and self-administered areas (2008 constitution: Sec.11,b).

The Union Parliament (Pyidaungsu Hluttaw) is bicameral, as in the 1947 document, consisting of two chambers (Hluttaws), one chamber elected on the basis of township as well as population, and the other on an equal number of representatives elected from regions and states (2008 constitution: Sec. 12,b). The charter assures the military a dominant role in the state by granting the military the right to appoint 110 members of the 440-seat Chamber of Deputies (Pyithu Hluttaw) and fifty-six members of the 224-seat Chamber of Nationalities (Amyotha Hluttaw). If there is a disagreement between the two chambers (the Pyithu Hluttaw and the Amyotha Hluttaw) concerning a non-plan, budget, or taxation bill, the bill shall be discussed and resolved in the Parliament or Pyidaungsu Hluttaw (2008 constitution: Sec. 95, b). Each region or state has its own legislature, the region or state Hluttaw, which is unicameral. The people elect members of the legislature every five years, just as they elect the members of the Pyidaungsu Hluttaw at the federal level.

The head of the government is the president (2008 constitution: Sec. 16). The president and two vice-presidents represent the Union (2008 constitution: Sec. 57) to perform executive power, and be responsible to the parliament (2008 constitution: Sec. 203). There are three levels of government: the Union, region or state, and local. The equivalent of the Union government at the state level is the region or state government. It is chaired by the chief minister. Barring the union territory (Naypyidaw), local governments are directly under the state governments. The union government does not deal directly with the local governments but only through the state governments.

### 3.2.6 Military

Under the 2008 document, the military has been conferred with wide and superior power and privileges. In Chapter I “Basic Principles of the Union”, the defence services is privileged to administer for participation of the entire people in Union security and defence (2008 constitution: Sec. 20, d). In Chapter VII “Defence Services”, the commander-in-chief is appointed by the president with the proposal and approval of the National Defence and Security Council.

### 3.2.7 Union Judiciary

The Union Judiciary is composed of courts of all levels of the Union, courts-martial, and constitutional tribunal of the Union (2008 constitution: Sec. 293). The court of final appeal is known as the Supreme Court (2008 constitution: Sec. 295). The head of the Supreme Court is called the chief justice of the Union (2008 constitution: Sec. 299). High Courts are for regions and states (2008 constitution: Sec. 305). The head of the High Court of the region or the state is called the chief justice of the Union, the region or state (2008 constitution: Sec.

308). The courts of all levels include: district courts, township courts, and other courts (2008 constitution: Sec. 314).

It is remarkable that a constitutional tribunal is set up to interpret the provisions of the constitution (2008 constitution: Sec. 46). It consists of a body of nine members, three of them chosen by the president, three by the speaker of the Chamber of Deputies, three by the speaker of the Chamber of Nationalities (2008 constitution: Sec. 321).

### 3.2.8 Union Formation

As in the 1974 document, the Union is constituted by seven regions, seven states and a Union territory as follows: Caching State, Kayak State, Karin State, Chin State, Sagan Region, Taninthayi Region, Bago Region, Magway Region, Mandalay Region, Mon State, Rakhine State, Yongon Region, Shan State, Ayeyawady Region, and a Union territory, Naypyidaw (2008 Constitution: Sec. 49), notwithstanding a minor revisional arrangement that has been made. Naypyidaw is under the direct administration of the president (2008 constitution: Sec. 50,a). The constitution furthermore delineates Naga, Dnu, Pa-O, Pa Laung, Kokang as self-administered zones, and as self-administered divisions with limited semi self-governance (2008 constitution: Sec. 56).

In comparison with the 1947 document, the seven regions and seven states are of equal status (2008 constitution: Sec. 9,a). No part of the territory constituted in the Union shall ever secede from the Union (2008 constitution: Sec. 10).

### 3.2.9 Elections

A Union Election Commission inclusive of a minimum of five members is formed by the president (2008 constitution: Sec. 398,a). The Commission is in charge of holding parliament elections, designating, and amending the constituencies, prescribing rules relating to elections or political parties, and trials of disputes arising from elections (2008 constitution: Sec. 399,f). Its resolutions relating to elections are final and conclusive (2008 constitution: Sec. 402). Members of religious orders are forbidden to vote (2008 constitution: Sec. 392,a).

### 3.2.10 Political Parties

The provisions for political parties are simple and hedging. A political party shall keep to non-disintegration of the Union, non-disintegration of national solidarity, and perpetuation of sovereignty (2008 constitution: Sec. 404). However, political parties directly or indirectly receiving and expending financial, material, and other assistance from a foreign government, a religious association, or a person from a foreign country shall cease to exist (2008 constitution: Sec. 407,c).

## **4. Comparative Analysis of the 1947 and 2008 Constitutions**

In this section, the study intends to make a comparative analysis of the presidential and parliamentary arrangements enumerated above. While exploring the above mentioned elements it already results unavoidably in comparison between the two documents, tentative conclusions on the nuances will be submitted by this study if possible. In principle, this study tries to provide the buttress for a short-term outlook on Myanmar's political future arising from the making of the recent constitution.

### **4.1 Parliamentary Democratic and Market-Oriented Authoritarian**

As suggested by this study, there are two categories to label these two documents: a parliamentary democratic one, and a market-oriented authoritarian one. However, the further study reveals that the 1947 document had a liberal-socialist tinge, and the 2008 document may borrow heavily from world's latest constitutional forms, except for its pro-military parts.

The 1947 charter was, as it turned out, imbued with socialist elements ranging from rights of peasants and workers, prohibition on monopolist cartels, syndicates, and large land holdings, to the provisions concerning nationalisation of enterprises (1947 Constitution: Sec. 23). This might be the consequence of drawing from the former Yugoslavian constitution. Nevertheless, essentially it carried the basic patterns of parliamentary democracy: free elections, an independent judiciary, a government responsible to the parliament. In a general sense, such a charter resulted in a fair-play arena for all organisations to play with, though constitutional practices in 1950s proved its ever-increasing centralisation tendency paired with multi-ethnic melee and socialist-prone leadership.

Meanwhile the 2008 charter is furnished with the latest constitutional forms: multiple political parties, balance among legislative, executive, and judicial powers, guarantee of enterprises, and a constitutional tribunal. Under this charter, the enterprises cannot be nationalised; the Union is declared to exercise a multi-party democratic system, and to endorse a market economic system. Yet this is no substitute for a concrete role of the military in the charter. The military is designated with a considerable share on Myanmar's political scene, rendering this charter into an authoritarian one. Most of the patterns of this document suggest the constitutional model of Indonesia of "disciplined democracy" under ex-president Suharto (Smith, 2002: p. 30).

## 4.2 Hereditary Relation and Nuances

However, the hereditary relationship between two documents is clear and apparent. A great amount of sections, like the citizen rights, the ownership of all lands, designation of chief minister (head) of state or region, the position of Buddhism, the attorney-general, and auditor-general in the 1947 charter are just literally copied into the 2008 charter. Even the title “Amyotha Hluttaw” and “Pyuthu Hluttaw” is phonetically transformed from the 1947 version of “Chamber of Nationalities” and “Chamber of Deputies”. Particularly, the 1947 charter’s chapters III and IV, relating to the right of citizen aspects, which borrowed substantially from the constitution of former Yugoslavia, now find its presence in the Chapter VIII of the 2008 charter. The state structure of fourteen divisions and states of the 1974 charter is totally adopted in this new charter with an extra creation of a Union territory, which may trace its way to the constitutions of Malaysia or India.

The 2008 constitution, however, is an updated version and more complicated in the dimension in comparison to the rudimentary 1947 document. Beyond the right of citizens, the duty thereof is provided in the same chapter. Apart from peasants and workers, the Union, for the first time, includes intellectuals as a subject into that category. The judiciary system is strikingly analogous to that of the 1947 charter, except for the Constitutional Tribunal part, the idea of which stems from the German counterpart that takes charge of interpreting the provisions of the constitution. Also in the 2008 charter, sections concerning the government’s formation and functions are more amply explained than ever.

Given the rush in drafting the 1947 charter, as a result of the AFPL’s statement of achieving independence within one year, it is expedient to realise how many heavy odds that the then representatives faced. The Karen problem was unsettled at the time; the Mon and Rakhine peoples were part of the Burma proper so they were not treated as equal as Shan; the deficit of provisions for political parties and elections was a sign that the charter was written in such a hurry that they had no sufficient time to ponder on comparatively minor subjects. They were urged by the eagerness of national independence so their negligence was understandable. The disputable status of the Karens and right of secession for all minorities but the Kachins spelt another disaster in decades since. Overall, it contained serious anomalies which replicated many of the inconsistencies established under British rule (Smith, 2002: p. 8).

## 4.3 A Shift from Parliamentarism to Presidentialism

As discussed earlier, the Union of Burma was a parliamentary democracy featuring a cabinet-running government by virtue of the constitutional arrangements in the 1947 document. The constitution delineated the authority



of the federalism into executive, legislative, and judicial. It also divided the authority between the union and state governments, and vested executive authority in the president, the nominal head of the nation. The cabinet, headed by the prime minister, served as the body that actually governed the country. The prime minister had considerable power in choosing members of the cabinet by advising the president on who should be chosen as members of government. The cabinet was collectively responsible to the Chamber of Deputies. Legislative authority is vested in the bicameral parliament, composed of a Chamber of Deputies and a Chamber of Nationalities. Judicial authority is vested in the Supreme Court, the high courts, and subordinate courts. The judiciary has the power to deliberate on civil and criminal matters, pronounce on the legality of any legislative or executive act.

Meanwhile the 2008 charter illustrates another kind of president-running system. The president and two vice-presidents represent the Union (2008 constitution: Sec. 57) to perform executive power, and are responsible to the parliament (2008 constitution: Sec. 203). Each of them is respectively elected by the Presidential Electoral College consisting of parliament representatives from three groups: a group formed with representatives from the Chamber of Nationalities; a group formed with representatives from the Chamber of Deputies; a group formed with representatives from the Defence Services. The parliament votes to decide one of the three candidates to be the president, and the remaining two to be vice-president. The Union government comprises the president, the vice-president, ministers, and the attorney-general (2008 constitution: Sec. 200). The president has power to appoint the chief minister of the region or state who chairs the region or state government, and the chief minister is responsible to the president (2008 constitution: Sec. 262,f).

In contrast, the races-based Chamber of Nationalities (Amyotha Hluttaw) has undergone significant changes. Under the Second Schedule of the 1947 charter, of the 125 seats in the Chamber of Nationalities, twenty-five were allotted to Shans, twelve to Kachins, eight to Chins, three to Karennis, twenty-four to Karens, and fifty-three to the remaining territories. Under its 2008 counterpart, of the 224 seats, fifty-six go to the military personnel, 168 to each region or state in an equal number of twelve seats (2008 constitution: Sec. 141, a). Another noteworthy shift occurs in legislation: every bill was initiated and passed by either chamber of the parliament in the 1947 document, while the 2008 document confers Union level organisations the right to submit bills to the parliament (2008 constitution: Sec. 100,a). Unlike the 1947 provisions concerning money bills which could be initiated only in the Chamber of Deputies, the bills submitted to the parliament may be initiated and discussed at either chamber (2008 constitution: Sec. 101), provided that the Union budget bill is submitted

by the president to the parliament on behalf of the Union government (2008 constitution: Sec. 102).

The striking turn, too, is seen from the role of the parliament in the entire system. In the 1947 charter, the parliament may confer the supreme court powers necessary to exercise jurisdiction under the constitution by making provisions (1947 constitution: Sec. 153), rendering it into a parliament-prevailing document bearing a hallmark of British legal practice in heritage. Yet in the 2008 charter, a constitutional tribunal is set up to interpret Union and region or state constitutions, and to vet whether the laws promulgated by the Pyidaungsu Hluttaw (parliament), the region Hluttaw, the state Hluttaw or the self-administered division leading body and the self-administered zone leading body are in conformity with the constitution or not (2008 constitution: Sec. 322,a, b). With the chief justice and all other members nominated by the president, it has greatly enhanced the president's power.

#### **4.4 The Cemented Military Role**

As asserted in Sec. 6,f, the "Union's consistent objective is enabling the Defence Services to be able to participate in the National political leadership role of the State." Moreover, by stressing in a pervasive way the importance of the commander-in-chief and the National Defence and Security Council, the military is bound to play a leading role on future political scene.

Under the 1947 document, the right to raise and maintain military, naval, and air forces is vested exclusively in the parliament. No military or semi-military organisation shall be raised and maintained by the Union without the consent of the parliament (1947 constitution: Sec. 97). Such a portion is a deficit under the 2008 document. The demarcation of the military position, as well regulation and limitation on its role is brought to naught according to Chapter VII, "Defence Services", as the military has the authority to participate all people in the security and defence of the Union only with the approval of the National Defence and Security Council (2008 constitution: Sec. 340). The army therefore retains institutional autonomy and controls the police and paramilitary organizations.

The 2008 constitution grants the commander-in-chief the right to appoint 110 members of the 440-seat Chamber of Deputies (Pyithu Hluttaw) and fifty-six members of the 224-seat Chamber of Nationalities (Amyotha Hluttaw), and one fourth of the total number of region or state Hluttaw. The military thus makes a notably overwhelming presence in the parliament by dominating an unshakable 25 per cent of the total seats.

Inside the government, a National Defence and Security Council is set up to deal with important issues, such as the appointment of the commander-in-chief, declaration of a state of emergency, grant of pardon, severance of diplomatic relations, etc. It is composed of the president, two vice-presidents, two speakers

of the two chambers (Hluttaw), the commander-in-chief and deputy commander-in-chief, minister for Defence, minister for Foreign Affairs, minister for Home Affairs, minister for Border Affairs (2008 constitution: Sec. 201). Of the eleven members, at least six are Defence Services personnel, rendering the council in the grip of the military majority.

In the appointment of the Union ministers, the president ought to co-ordinate with the commander-in-chief who is entitled to designate military personnel as the ministers of Defence, Home Affairs and Border Affairs, or to propose candidates for other ministries if he desires (2008 constitution: Sec. 232,b). In other words, the president's power of ministerial nomination is greatly reduced, and unavoidably the commander-in-chief becomes the parallel head of the Union despite the fact the function thereof is undefined in the constitution.

In accordance with the 1947 charter, the power of proclamation of emergency was vested in the president. For that purpose, the parliament had the power to make laws for a state with respect to any of the matters enumerated in the State Legislative List (1947 constitution: Sec. 94, s.1), and the government could take whatever steps to protect the Union (1947 constitution: Sec. 123, s.2).

While under the 2008 charter, the state of emergency is declared by the president in coordination with the National Defence and Security Council. In doing so, the president may transfer the executive, legislative, and judicial powers to the commander-in-chief (2008 constitution: Sec. 418,a), who may restrict or suspend fundamental rights of citizens (2008 constitution: Sec. 420). A state of emergency could be declared not only to battle insurgencies, but to combat the threat of "disintegration of national solidarity". The military would receive immunity from prosecution for actions taken under emergency rule. Hence in reference to the protocol of the 1958 Ne Win's watchdog government, the Union turns out to be a protégé of the military in time of necessity.

In addition, the commander-in-chief is furnished with a status omnipotently above the law by the stipulation of Sec.343 that the decision of the commander-in-chief is final and conclusive in the adjudication of military justice.

The 2008 constitution is cast in bronze by its impossibility to amend, because the amendment requires 75 per cent of "Yes" votes from the parliament. Given the fact that no entity can challenge the 25 per cent share of the military in the parliament, the constitution is rendered as solid as concrete.

## **5. A Forward-Looking into the 2010 General Elections**

Undoubtedly the new constitution will allow for a more open space for political development. With the creation of the Union parliament and region or state legislatures, people will find an arena to debate important issues, to allow for

the participation of political and civil society organisations, in at least some sectors of public life, although the space available to oppositions and ethnic nationality under the new constitution is likely to be very limited, as the latest ICG (International Crisis Group) report reveals.

The USDA (Union Solidarity and Development Association), which looms largest in Myanmar's political life as a peripheral organisation of SPDC, serves as a formidable force in the coming 2010 general elections with the patronage of the army. The results of the campaign would surely turn to be the junta's bounty. The ethnic groups, however, are pressured to disarm and participate in the electoral process; the likelihood of an ethnic takeover is tenuous and beyond our imagination.

One of the most important and interesting questions, nineteen years after the political deadlock, is what the future holds for the NLD (National League for Democracy). The party still remains Myanmar's most eminent opposition party. Will NLD be able to participate in a new general elections once again as a dynamic political organisation?

The adoption of 2008 constitution has nullified the overwhelming election victory by Aung San Suu Kyi and her NLD in 1990, barring her from candidature for president due to her marriage to a foreigner. Therefore the NLD's calls to boycott the constitution are understandable.

As an official stature, the regime has also called for the NLD to spend its energy preparing for the forthcoming 2010 elections, rather than fighting to get the 1990 results recognised.

While it may be argued that NLD has little to gain from participating in this elections, a continuation of the political stand-off mostly is detrimental to the nation, at a time when the country is undergoing a generational change, and seems to be establishing the ground for politics in Myanmar over the coming decade. Regarding any future elections, whatever its deficiencies, participation will probably confer at least a degree of legitimacy upon those opposition parties. It will at least allow them to participate in above-ground politics, from "within the legal fold" (South, 2007: p. 2), instead of being marginalised by the advancing political process.

As a positive sign, recently Suu Kyi has made a significant move in support of ending the Western sanctions on Myanmar by advocating dialogue with the junta. As a response, the junta allowed Suu Kyi to meet with Western diplomats and a top official of the government with one week.

This study, however, does not intend to forecast what is going to happen in the next couple of years on the political scene in Myanmar. This will require further in-depth and empirical analysis of the politics given its unpredictable nature, paired with painstaking observational techniques.

## 6. Conclusions

This study is based on the textual comparison of 1947 and 2008 constitutions of Myanmar. An examination of the framework and arrangements in the 1947 and 2008 documents has shown two varied types of federal system resulted from different developments of constitutional spirits. Under the 1947 constitution, governmental and parliamentary setups were adopted to form a liberal-socialist-democratic system with concentration on ethnic politics. By contrast, its 2008 counterpart is centred both on military domination and market economy, rendering itself into an authoritarian one.

The 2008 constitution is drafted in response to growing pressure either from years of Western criticism or from allies of the government who recognise that change is desperately needed. However, neither a constitution nor outside pressure is likely to bring about major reforms. Although in the past military rule has lasted for over four decades, perhaps a different style of ideal constitution is still far from our sight.

In a country without an enduring, constitutional, and democratic tradition like Myanmar, the constitution is merely regarded as a cloak. The balance of power is still heavily weighted in favour of the army, whose top leaders continue to insist that only a strongly centralised, military-led state can hold the country together (International Crisis Group, 2008). As a *de facto* beneficiary of the current situation and the most powerful and hyphenated entity with common interest, the army will definitely cling to its way. A mere arrangement of parliamentary framework cannot replace the constitutional performance that strongly requires political counterbalance in operation. That is why those expecting significant political changes in Myanmar might be disappointed.

The next general elections is scheduled some time in 2010. While it presents important new opportunities for change, they must be viewed against the continuance of profound structural obstacles. Even if the political will for reform improves, Myanmar will still face immense challenges in overcoming the debilitating legacy of decades of conflict, poverty, and institutional failure, which fuelled the perennial crisis and could well overwhelm future governments as well.

With the burden of a heavy legacy, cultural basis, and economic obstacles, even the minutest progress in Myanmar will require a long-term effort combining robust and serious attitudes to address the deep-seated structural obstacles to development, democracy, and ethnic reconciliation.

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# **The 2008 Constitution in the Context of the Myanmar Reality**

*Derek Tonkin<sup>1</sup>*

## **Introduction**

The constitution of the new Republic of the Union of Myanmar approved in a national referendum in May 2008 is the third constitution in Myanmar's sixty-one-year history as an independent nation. The 1947 constitution fell victim to internal political disputes, the threatened secession of the Shan state and the establishment of Buddhism as the state religion. The 1974 constitution modelled on the People's Democracies of eastern Europe collapsed because of serious economic failures. The 2008 constitution, which only takes effect at the first session of the new Union Parliament after the elections scheduled for 2010, took eighteen years to formulate. The constitution is a more complex and substantial document than is generally realised, with some 457 articles in fifteen chapters. It has been criticised in the Western world because of the special position granted to the armed forces who will take 25 per cent of the seats in the various national and regional assemblies, control the ministries of Defence, Home Affairs, and Border Security and decide their own budget. Nevertheless, the transition to civilian rule in Myanmar after forty-eight years of military rule is bound to be an extended and complex process fraught with risks and difficulties, and is likely to make progress only through power sharing between the military elite and emerging political forces.

## **The Historical Legacy**

Myanmar was only the fourth British colonial territory to secure, on 4 August 1948, its independence, following the American colonies in 1776, Ireland in 1922, and India/Pakistan on 15 August 1947. The country had been devastated during the Second World War, with the Japanese gaining control of almost all the country during 1942 and 1943, and British and Allied Forces fighting to

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<sup>1</sup> Derek Tonkin is currently Chairman of Network Myanmar and a former British Ambassador to Thailand, Vietnam, and Laos.

recapture the country during 1944 and 1945. Myanmar may well have been one of the more prosperous countries in Southeast Asia during the first half of the 20th century, but by the time of the Japanese surrender on 2 September 1945, most of Myanmar's cities were in ruins, bombed, and fought over for some three and a half years by both Japanese and Allied forces.

The pressures for early independence were nonetheless irresistible. General Aung San, the principal Burmese negotiator, won the support of both Clement Attlee's Labour government elected in July 1945 and of Lord Louis Mountbatten, who as allied supreme commander for Southeast Asia had overseen the recapture of Burma. Rather to their surprise, the Burmese found that they would not have to fight for their independence, as both the American and Ireland colonies had done, and as they assuredly would have done if Britain had not recognised and accepted the reality on the ground. An agreement signed on 27 January 1947 in London guaranteed Burmese independence within a year.

The problems facing Myanmar at independence were enormous. The task of unifying what was known as "Ministerial Burma" (or "Burma Proper") and the "Frontier Areas" had only just begun. Returning from London in late January 1947, General Aung San hastened to Panglong where, on 15 February 1947, an Agreement was signed associating some of the Burman and non-Burman nationalities, primarily the Shan, the Chins, and Kachins states, and offering a model for other nationalities like the Karen (Kayin), Karenni (Kayah), Mon, and Arakanese (Rakhine) to follow. It is indeed not so much the letter of the Panglong Agreement, which had only nine short clauses but is still the basis of the present day Union, as the spirit of Panglong, which has guided the struggle for national unity and stability to the present day.

## **From Military Coup to Military Coup: A Failed Experiment with "Socialism"**

In the hurried circumstances at the time, the 1947 constitution drafted by a constituent assembly of 255 elected representatives, of whom all but seven were members of the wartime Anti-Fascist People's Freedom League (AFPFL), was no doubt the best that could be achieved. But parliamentary democracy from independence in 1948, to the military coup in March 1962, foundered over three principal issues: first, irreconcilable conflicts within the AFPFL which led the party to split into so-called "clean" and "stable" factions; second, the declaration of Buddhism as the state religion; and thirdly, the threatened secession of Shan state for which the right was given in Article 202 of the constitution.

For the Tatmadaw (Armed Forces), the unity, integrity, and stability of the state were of overriding concern, and at a time of continuing insurgencies



affecting large areas of the country, democratic debate was seen as a luxury, which the state could ill afford. The Tatmadaw saw politicians as corrupt, divisive, and self-seeking. Military rule from 1962 to 1974, however, was seriously damaging to the economy as both foreign and local businesses were expropriated or nationalised, generally without compensation.

The return to quasi-civilian rule in 1974 was based on a constitution modelled on the People's Democracies in eastern Europe and controlled by the Burma Socialist Programme Party set up in July 1962, after the military coup. The constitution, which established the Socialist Republic of the Union of Burma, was approved in a National Referendum held in December 1973 after a sustained period of preparation and consultation. The vote recorded a 90.19 per cent majority in favour in a 95.49 per cent turnout. Results were declared on a division and state basis, the Shan state reporting only a 66.40 per cent vote in favour. There was never any serious opposition and the referendum was treated almost as a celebration. For most Burmese, the choices on offer were a continuation of direct military rule, or a civilian administration in which the military had a controlling interest. Not surprisingly, the Burmese people took what was on offer.

### **18 September 1988–30 May 1989: The Birth of Multi-Party Democracy**

The 1974 constitution was never formally abolished nor suspended because of the military coup of 18 September 1988. Under Declaration No. 2 of 18 September 1988, the main state organs were dissolved, but under Announcement No. 6 of 24 September 1988, all laws valid on 18 September 1988 continued in force unless specifically rescinded. In his Armed Forces Day address on 27 March 1991, the chairman of the State Law and Order Restoration Council (SLORC), General Saw Maung, did however declare that the constitution was “defunct” and the preamble to the 2008 constitution noted that this constitution “came to an end because of the general situation [which had] occurred in 1988”. Nevertheless, an article in the *New Light of Myanmar* on 15 August 2009 pointed out that under Article 445 of the 2008 constitution, all laws remained in force provided they were not contrary to the constitution, or had been repealed or amended, and this include those elements of the 1974 constitution, which had not specifically been abrogated.

The very first declaration of the SLORC on the day of the coup was however mainly concerned with the holding of multi-party elections. Within days of the announcement, scores of political parties had been registered, altogether 235 of which were no more than local associations and pressure groups, with no clearly defined policies. One of the best-organised parties was the National League for

Democracy (NLD), dominated by the charismatic personality of Daw Aung San Suu Kyi, the daughter of General Aung San. However, in the months following their establishment, the NLD were primarily concerned with what they saw as the struggle for civil and political liberties, and not with the forthcoming elections. They argued that the establishment of these basic rights was more important at that stage than the holding of elections. The SLORC accused the NLD of continual “confrontation”, and declined to open exploratory talks about the political process.

The SLORC had given assurances soon after the coup that political power would be handed over to the election winners, and that they expected to act as the administration for a relatively short time only. Troops would then return to their barracks. However, the course of events in the months following the coup was characterised by increasing differences between the military authorities and the NLD. By the second quarter of 1989, the SLORC had clearly concluded that an immediate transfer of power to a civilian administration could affect the stability of the state.

### **31 May–20 July 1989: The Confrontation**

The SLORC accordingly backtracked on their original promises of a rapid transfer of power and put into effect a constitutional process, which has persisted to this day. The publication of the Electoral Law on 31 May 1989, dealt only with the mechanics of the election. The Law did at least state that the elections would be to a “Pyithu Hluttaw”, or People’s Assembly, but gave no detail at all about its functioning and status. The SLORC had understood by that time that provision had to be made for the drafting and approval of a constitution. They were opposed to any kind of interim administration. At their weekly press conference on 9 June 1989, one of a series of weekly press conferences, which ran from the first week of the coup until well after the elections in May 1990, the SLORC made it clear that power would not be handed over until a new constitution had been drafted and approved in a National Referendum.

Most commentators at the time<sup>2</sup> assumed that this would require a second round of elections to give effect to the new constitution. In their announcements,

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<sup>2</sup> Bertil Lintner, *Far Eastern Economic Review*, 3 August 1989: “When it seized power last September, the State Law and Order Restoration Council (SLORC) declared it would step down once the promised elections have been held. However, the state-run Working People’s Daily on 10 June backtracked on that promise, saying the 1990 elections are going to be for a constituent assembly that will draft a new constitution, which will have to be approved. After that, new elections will be held and the SLORC will transfer its powers to an elected government. This augurs another one to two years of military rule.”

interviews, and press statements, the NLD made it clear that they had taken note of the constitutional process set out by SLORC, but declared it unacceptable since they saw it purely as a delaying tactic, and they even went so far as to suggest that they could not take part in the elections until the issue of the transfer of power had been resolved.<sup>3</sup> Specifically, Daw Aung San Suu Kyi expressed her view on 1 July 1989 in an interview with *AsiaWeek* that the process set out by the SLORC could take months, if not years to complete.<sup>4</sup>

The period from the publication of the Election Law on 31 May 1989 to 20 July 1989, when Daw Aung San Suu Kyi and some members of the NLD were detained, represented almost eight weeks of bitter debate and at times physical confrontation between the NLD and the military regime, and set the scene for the twenty years of mutual recrimination which has followed. These weeks were in my view historically more important than the confrontation, which was to follow the 27 May 1990 elections, because these eight weeks highlighted for the first time the fundamental nature of the dispute between the military regime and the NLD.

## **21 July 1989–27 May 1990: The Run-Up to the Elections**

In the months following the arrests, political activity was subdued. Political parties prepared their manifestoes, which in many cases were very basic and scarcely distinguishable one from another. The SLORC continued to assert from time to time that the task of the new assembly would be to draft a new constitution, but this declaration of process was almost entirely ignored by the political parties who rarely mentioned the need. It was almost as though a conspiracy existed to deny that the SLORC had ever set out a process.

The NLD won a convincing electoral victory on 27 May 1990, securing 80.82 per cent of the seats with 59.87 per cent of all valid votes cast in a 75.59 per cent turnout. The result though was seen by many observers as more in the nature of a referendum between those parties that wanted a complete break from the past, and those who favoured a close partnership with the Tatmadaw. It was also in many ways a protest vote against the Tatmadaw because of the detention of Daw Aung San Suu Kyi. Talks between the NLD and the SLORC were held

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<sup>3</sup> Extract from Amnesty International Report ASA 16/23/89 of November 1989: “Aung San Suu Kyi declared that the NLD could not participate in the elections ‘until the question of power transfer is resolved’.”

<sup>4</sup> “Whoever is elected will first have to draw up a constitution that will have to be adopted before the transfer of power. They have not said how the constitution will be adopted. It could be through a referendum, but that could be months and months, if not years.” *AsiaWeek*, 21 July 1989.

in private after the elections, and the NLD Central Executive Committee (CEC), mostly consisting of ex-military members, is reliably reported to have agreed with Major General Khin Nyunt to head a drafting commission to prepare a new constitution.<sup>5</sup> However, more militant members of the NLD, including some local organisations, intellectuals, and youth leaders, rejected this reported deal between the CEC and the SLORC. Correspondents like Dominic Faulder of *AsiaWeek* closely followed the twists and turns of political fortunes at the time and drew attention to the tensions within the NLD, notably between the former senior military men and business supporters on the one hand and the more youthful activists and intellectuals on the other who insisted that they had a mandate to govern and that there should be no compromise with the SLORC.

### **The Battle for Political Control: 28 May–27 October 1990**

The battle lines were drawn in the SLORC Declaration No. 1 of 27 July 1990, which reaffirmed the responsibilities of the election winners to draft the new constitution while the SLORC retained power, and the NLD Gandhi Hall Declaration of 29 July 1990, which demanded that the Pyithu Hluttaw (People's Assembly) be convened in September 1990, and that power should pass to the elected representatives. The SLORC prevailed through force of arms. By 27 October 1990,<sup>6</sup> the NLD had unwillingly joined all other political parties in signing an understanding to abide by the SLORC Declaration and, more significantly, to accept a SLORC-controlled National Convention process, which was to give far less weight to the political parties than had been promised in Declaration 1/1990.

Events from the military coup on 18 September 1988 to acquiescence on 27 October 1990 in the SLORC-controlled process were at times characterised by political naivety on all sides. The SLORC had set out a constitutional process before the elections, which was clearly understood internationally, but ignored by the local political parties who insisted that the election winners must take over the government of the country. Although the SLORC process was never codified in a decree or other legal instrument, I have not yet found a single

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<sup>5</sup> Kyaw Yin Hlaing, speaking at an Institute for Security and Development Policy Stockholm seminar in January 2008: "The NLD's caretaker leadership accepted these terms. The Central Executive Committee then declared that the party would aim to finish drafting the constitution within the year; in the meantime, the military would govern the country. Once the constitution was ready, the NLD would call for the constituent assembly to be instituted so that it could form a new government." [http://www.isdp.eu/files/publications/books/Myanmar\\_finalpdf.pdf](http://www.isdp.eu/files/publications/books/Myanmar_finalpdf.pdf) - Page 99.

<sup>6</sup> *Reuter* report carried in *The Christian Science Monitor* of 30 October 1990.

report or commentary by any foreign correspondent issued before the elections that did not confirm that the 27 May 1990 elections were not to a governing parliament. Nevertheless, for the NLD, who were the electoral winners, the retention of power by the SLORC while the constitution was being drafted was most unwelcome and indeed unacceptable to militant elements. It was also a fact that the overwhelming majority of the Burmese electorate were convinced that they were electing representatives to a governing parliament, as were many of the candidates themselves.

In the resulting confrontation, the SLORC had the political and military clout to insist on the completion of the process they had set out. The NLD retained an uncompromising attitude based on the conviction, approved by successive UN General Assembly Resolutions, that the May 1990 elections were an expression of the will of the people, which indeed it was. The NLD acquired undeniable political legitimacy because of the elections. However, politics is also an exercise in pragmatism and the decision to oppose the constitutional process set out by the SLORC immediately after the publication of the Election Law on 31 May 1989, made confrontation inevitable eventually.

### **From National Convention in January 1993 to National Referendum in May 2008**

The National Convention, which began in January 1993, was carefully controlled by the military regime. At the Co-ordinating Sessions in 1992 of the Preparatory Committee, the NLD sought unsuccessfully to claw back control of the process by submitting that all elected representatives should take part, but this was rejected by the SLORC.

The 104 Basic Principles presented to the National Convention on 16 September 1993 remained almost without change until the concluding session on 3 September 2007, and have been broadly incorporated as Chapter I of the finalised constitution. The decision of the NLD to withdraw from the process in November 1995 was based on the premise that the SLORC had not conducted the National Convention in accordance with their Declaration 1/1990, which assured the election winners that they would be responsible for drawing up the constitution.

From March 1996 to May 2004, the National Convention was suspended, mainly because the SLORC, which in 1997 became the State Peace and Development Council (SPDC), saw it as a more important state task to conclude ceasefire agreements with almost a score of ethnic insurgencies without whose support a successful conclusion to the National Convention process would not have been possible. Negotiations for the NLD to rejoin the

National Convention almost succeeded in 2004, but issues of principle relating to the release of Daw Aung San Suu Kyi and NLD Vice-Chairman General Tin Oo proved irreconcilable. Not all ethnic groups took part in the process and even those which did have expressed reservations, some serious, about the final arrangements. Attempts to integrate the armed militias of the ceasefire groups into defence or border-control forces are proving complex and somewhat fraught. The importance of the ethnic dimension in the politics of Myanmar is fundamental and overlooked at our peril.

The National Convention agreed a document defining the detailed principles based on which a committee of fifty-four constitutional experts drafted a 457-article constitution. The draft was submitted to a national referendum on 10 May 2008, but delayed in areas affected by Cyclone Nargis until 24 May 2008.

The more the NLD and Western countries insisted that the referendum should be postponed because of the devastation of the cyclone, the more the military government saw this as a trial of strength, and the less willing they were to agree to any postponement. As the regime had decided, in the wake of the post-election confrontation of 1990, to manage the National Convention process themselves, so the authorities determined that the approval of the new constitution should not be thwarted.

For most Burmese, the alternative to approval of the constitution was, as in 1974, a continuance of direct military rule and on that basis most Burmese voted for the constitution as a matter of political realism. The result was even slightly better than the 1974 referendum—92.48 per cent approval (90.19 per cent in 1974) in a 98.12 per cent vote (95.49 per cent in 1974). However, failure to release a break-down of division and state voting details as had been allowed in 1974, did nothing to enhance the credibility of the results.

The referendum campaign was conducted as a military operation. The population were subjected to intense publicity. Throughout the administration it was made clear, from the higher to the lower echelons, that a resounding “Yes” vote was imperative. Careers were at stake. The reality of the situation though is that most Burmese voted for the constitution because it was effectively all that was on offer. The view of many Burmese was that they had too many other problems to worry about the niceties and refinements of total democracy at this particular juncture. The NLD was effectively denied the opportunity to campaign for a “No” vote, but even discounting numerous reported irregularities and pressures on the population to vote in favour, many decided as they did in 1974, to take what was on offer rather than to reject it. The result of the referendum had no prospect of acceptance in the Western world where voting and procedures need to be reasonably transparent and credible to gain approval.

The 2008 constitution<sup>7</sup> does not purport to be modelled on the Western pattern. It runs to 457 detailed articles in fifteen chapters. The Union of Myanmar is renamed “The Republic of the Union of Myanmar”. The political system is described as a “discipline flourishing genuine multi-party democracy”. The reservation of 25 per cent of the seats in the assemblies for the military reflects the situation in other countries in Southeast Asia, like Thailand and Indonesia, in the latter part of the 20th century at a similar stage of political development. In these countries to this day, the political role and influence of the military remain very strong. Criticised as a “sham” by the West, the constitution is unique in “enabling the Defence Services to be able to participate in the national leadership role of the State”. Is there any pretence about reserving ministerial appointments for Defence, Home Affairs, and Border Affairs neither for the military, nor about the military fixing and managing their own budget? This may not be Western-style democracy, but the new constitution would only be a “sham” if it pretended to be something it was not.

## **From Constitution to Elections**

The referendum vote was a simple Yes/No procedure. The 2010 elections are likely to be a much more complex affair.

After forty-eight years of military rule, direct or indirect, from 1962 to 2010, it is inevitable that the transition to civilian government in Myanmar would need to be gradual and pragmatic, if not controversial and at times tense. In due course, a measure of power-sharing between military and civilian representatives may evolve. Yet the main opposition party, the NLD, has over the years refused to consider “power-sharing” in any form and NLD members who have sought to raise this have either been silenced or dismissed. The prospects of reconciliation between the NLD and the military regime today indeed seem close to zero.

The international community remains guided in its relations with Myanmar by the UN Security Council Presidential Statements of 11 October 2007 and 2 May 2008, which highlight the need for an inclusive and credible process for the referendum, the full participation of all political actors and respect for fundamental political freedoms. The statements are an ideal against which the 2010 elections will also be judged, and no doubt there will be pressure in due

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<sup>7</sup> The principal features of the constitution are described in “The State in Myanmar” by Robert H Taylor pages 496–503 reproduced at <http://www.networkmyanmar.org/images/irt%20const%20rev.pdf>

course to issue another presidential statement. Security Council press statements issued on 14 November 2007, 17 January 2008, 22 May 2009, and 13 August 2009, repeat the message. The likelihood though of any Security Council resolution on Myanmar, whether binding or non-binding, on any aspect of the Myanmar problem can for the present be discounted.

The NLD, the main opposition party, are caught in the dilemma that they cannot formally rejuvenate the membership of their ruling body (the Central Executive Committee) without the approval of the authorities. Nevertheless, they have also failed to arrange in recent years any *ad hoc* rejuvenation. The personality of Daw Aung San Suu Kyi remains overwhelmingly dominant, and even if as in May 1990, she is still under some form of detention or restriction at the time of the elections, the NLD could gain substantially from her charisma, provided they decide to contest the elections and their re-registration as a political party is in due course approved.

Campaigning for the 2010 elections has already started informally, though the formal campaigning period is likely to be restricted. In 1990, it was ninety days, which was probably far too long. Those politically conscious Burmese who look forward to the 2010 elections hope it will bring not only a change of style in government, but also a measure of greater competence in administration. The NLD is not generally seen by the intelligentsia any longer as a vehicle through which their political aspirations might be achieved. There is no longer any NLD bandwagon on which the younger generation are very eager to jump. There are also doubts about whether the NLD has significant support among the largely unpoliticised masses whose interest at this stage in the forthcoming elections is unlikely to be very great. Many though could vote, as in 1990, for the party led by Daw Aung San Suu Kyi, whatever that party might be.

A small number of political parties<sup>8</sup> registered at the time of the 1990 elections still exist. Other organisations are in a formative stage, existing legally as associations and socially active groups awaiting eventual registration as political parties. The special adviser to the UN secretary-general on Myanmar, Ibrahim Gambari, has already met some of these groups. There are also a number of “Third Force” intellectuals and businessmen who have rejected the Nod’s pro-sanctions and confrontational approach. It is likely that some will organise into one or more political parties and evolve from their present status as civil society groups, which played a significant role in local relief aid after Cyclone Nargis.

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<sup>8</sup> Ten parties remain registered: National Unity Party, National League for Democracy, Shan Nationalities League for Democracy, Kokang Democracy and Unity Party, Union Kayin League, Union Pa-O National Organisation, Khami/Mro National Solidarity Organisation, Shan State Kokang Democratic Party, Wa National Development Party, and Lahu National Development Party.



The election process is likely to be controlled in some measure through the registration of political parties, which must meet the criteria set out in Chapter X of the constitution, which requires that they be loyal to the state. However, unlike the controversy of the referendum voting (which was a straight Yes/No vote) the procedures on Election Day itself in 2010 could be reasonably free and fair as in May 1990. There is no good reason to rig the voting choice between candidates who have all been formally vetted and met the necessary criteria.

The 2010 elections are only the start of the reconciliation process. The Tatmadaw and emerging civilian politicians have yet to get to know each other and to start working together. Many of the elected representatives will have military backgrounds, for the military has the major pool of managerial expertise in the country, as they provide the bulk of the current administration. Both nominated military and elected civilian representatives will need to learn the skills of political bargaining and how to compete for budgetary allocations for their respective ministries. For many, they will be entering unknown territory where the old certainties of the past will no longer apply. They will be required to demonstrate individual responsibility, and not just be able as in the past to await instructions from on high.

Though reconciliation as such may be slow, the elections should create political space in which those with political aspirations can start to operate and co-operate in a bicameral parliament as well as in seven state and another seven regional legislatures. It will be a tough learning process, but the transition from military rule to civilian administration was not likely to be very easy or very smooth.

More importantly, a new generation of military leaders will be appointed to take over, with the retirement of Senior General Than Shwe, who has been at the helm since 1992, and very possibly of his second-in-command, General Maung Aye, as well. However, I would expect to see Than Shwe remain in a senior advisory role; the top contenders for the presidency and the post of commander-in-chief have yet to be identified. The new appointments will however assuredly mark the passing of the Old Guard.

## **International Attitudes**

The West has low expectations of the results of the elections. There are already calls for the results not to be recognised internationally, but the issue of “recognition” is scarcely more than a debating point in an international community, which recognises the seating of “Myanmar” in the United Nations and uses “Myanmar” in all formal communications addressed to the government. As a result of the elections, the political kaleidoscope will have been given

a good shake and no one can be quite sure how the pieces will settle. The stagnation of recent years should give way to a more dynamic situation, in which the Tatmadaw will no longer give orders expecting and requiring them to be obeyed. The Tatmadaw will continue to retain broad control of the political process, but their aim will be to demonstrate that there is a government by general consent. In the light of experience, weaknesses may be identified in the constitution, which from some accounts was finalised at fairly short notice in February 2008, to meet a deadline set earlier than expected for the constitutional referendum.

Myanmar is seen in the West almost exclusively as a human rights issue. Interest during the last twenty years was mainly confined overseas to politicians and activists, but Cyclone Nargis, the televised protests of August and September 2007, and the internationalisation of the Myanmar problem through discussion in the United Nations have heightened both awareness, and with it, criticism of the ineffective nature of the West's response. Asian countries have given the 2008 constitution a cautious, though guarded welcome.<sup>9</sup> They would like to see the 2010 elections pass off without serious incident with a good sprinkling of political parties with definable policies, including some parties which have not hitherto been supportive of the military government. They will then generally welcome the restoration of civilian rule, at least in form if not in real substance, as a step in the right direction after forty-eight years of military dominated rule.

The US and the EU are most unlikely to send electoral monitors even if invited, as they would see it important not to appear to legitimise and endorse the process. They may even seek to debar UN agencies offering technical and monitoring support. They are unlikely to "recognise" the results of the elections, but as they are not called on to do so, and as many states no longer extend recognition to governments but only to states, in practical terms there would be no change to the present situation. They are therefore likely to fall back on criticism of the elections as "lacking in credibility". Their ability to influence the situation could however remain even more limited than during the last twenty years.

The situation may have some of the remorselessness of a Greek tragedy, to which the international community has itself contributed. It may not be too late to leave it to the Myanmar people to sort out the situation for them, but they need

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<sup>9</sup> See UN Human Rights Council Press Release of 17 March 2009 where Asian and Western attitudes to the 2008 constitution stand in contrast as discussed during the discussion on the situation in Myanmar.

a helping hand, which has generally been denied to them.<sup>10</sup> As the International Crisis Group put it in a recent report:<sup>11</sup>

The most pressing issue now is not to achieve a functioning democracy that meets Western standards but to start a gradual liberalisation process and reintegrate Myanmar with the rest of the world.

That “functioning democracy” will remain for some time only a distant prospect.

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<sup>10</sup> Myanmar is the lowest recipient of international aid per capita among thirty-eight OECD characterised “fragile States”—USD4.08 according to OECD figures for 2007. Myanmar has also so far received only one-fortieth of the total of aid provided to victims of the 2004 tsunami.

<sup>11</sup> China’s Myanmar Dilemma - *Asia Report* No. 177 of 14 September 2009.



# Myanmar: The Way toward General Elections in 2010

*He Shengda*<sup>1</sup>

In the next one and a half years, the biggest issue in Myanmar's politics is undoubtedly the general elections in 2010. In the general elections, what are the main influential factors? Will the general elections take place as scheduled? How can it make the elections free, fair, and transparent? The paper seeks to analyse these questions.

## **1. Among Various Factors Affecting General Elections in 2010, contributing Factors or Non-Against Factors Play a Predominant Role**

1.1 Political development in Myanmar in the last six years suggests that five contributing factors are the answer to why the military regime has advanced with its democracy road map in defiance of difficulty and pressure. Since August 2003, when the military regime of Myanmar announced its road map of political reform and democratisation, despite objection voiced by NLD, and pressure and sanctions imposed by Western countries, the military regime has pushed forward the road map in line with the established scheme and objectives after facing many obstacles, i.e., large street demonstration led by monks, UN special envoy's multiple visits to Myanmar, deadlocking talks with Aung San Suu Kyi, tremendous disaster caused by Cyclone Nargis in May 2008, and internal and external pressures to defer the elections. The established goals have been achieved in defiance of multiple pressures from the constituent national assembly which reassembled in May 2004: basic constituent principles were passed in September 2007, a new constitution (draft) was proposed in February 2008, and a new constitution ratified by referendum in May 2008.

That the military regime is making headway with its road map reflects the fact that domestic political opposition in Myanmar and international pressure against political progress do not have the capacity to influence the political decision-making or set the plan of the road map. In other words, the government

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<sup>1</sup> He Shengda is Senior Research Fellow and former Vice-President of Yunnan Academy of Social Science.

of Myanmar is still able to eliminate the influence of domestic political opposition and resist international pressure and cope with abrupt disasters. All these are the consequences of five factors, namely, the capacity of the military regime; considerable domestic support (twenty million members of Union Solidarity and Development Association, National Unity Party, and other pro-government parties); reconciliation reached with major ethnic forces and relatively stable relations with them; progress in the agriculture-dominant economy depending on rich resources; and sound relations with neighbouring countries.

1.2 The general elections is the fifth step in the seven-step democracy road map of the military regime following referendum for the new constitution and the most important step after the new constitution has been ratified. The military regime will not back out on this step. After the new constitution was passed through referendum in May 2008 and went into force, the military regime of Myanmar is going to hold the general elections in 2010, in line with its road map and announcement on February 9, 2008. After that the military regime has reiterated this decision because the general elections concerns the domestic political reputation and legitimacy of the army in the future. As suggested in *Country Report: Myanmar*, published by The Economist Intelligence Unit, the military force in power, State Peace and Development Council, will still have a firm grip on power from 2009 to 2010. However, in advancing the democracy road map and preparation for parliamentary elections in 2010, it will be faced with fierce challenges. The military regime will focus its energy on ensuring the general elections takes place as planned in an effort to secure the leadership of the army in the new government following the elections with immediate or indirect support of demilitarised army leaders and pro-government parties and to prevent oppositions from acquiring big share of the power.<sup>2</sup>

If the new constitution ratified in May 2008 has determined the role and status of the army in politics through the fundamental law of the state, then the general elections in 2010 will decide the status of the military bloc in the future politics of Myanmar. Meanwhile, whether the general elections will take place as planned depends extensively on the reputation of the military regime. Therefore, the military government has taken it as the most important political decision after the new constitution. The senior level of the military government is sparing no efforts to ensure the general elections in 2010 takes place as planned.

U Than Shwe, leader of the military regime and chairman of State Peace and Development Council, requested all political parties not to make trouble

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<sup>2</sup> The Economist Intelligence Unit Limited 2008, *Country Report: Myanmar*, November 2008, pp. 12–13.

and to stop all possible actions to jeopardise the constitution and called for the popular support of the planned general elections in 2010 in his speech addressed on March 27, 2008, Army Day. Vice Chairman of State Peace and Development Council U Mg Aye, in his speech delivered in the military official graduation ceremony in Shan state in April, warned against sabotaging the general elections by violence. General Thein Sein also called for the popular and military support for the elections in his speech in Kengtung Hydropower Station the same month.<sup>3</sup>

1.3 To sum up, despite multiple pressures and a difficult environment, it is because of the five contributing or non-adverse factors that the military regime is able to make headway with the political reform road map. In observation of the latest progress (before the general elections), the five above-mentioned factors are still acting in the interest of general elections in 2010.

1.3.1 The governance capacity of the military regime has been consolidated and strengthened as it is still under the control of the state machinery and tremendous power. Although news about competition for power among senior leaders in the regime has come out, the military regime did not go through fragmentation after power reshuffling of Khin Nyunt and his men nor is there a possibility of such a fragmentation taking place in the near future. On the contrary, the military regime has taken measures to further consolidate the army. After the new constitution was passed through referendum, the supreme ruling organ of the military regime State Peace and Development Council held a plenary meeting on June 20, 2008, to make personnel adjustment within the army which involved promotion of over 150 senior and middle-rank army officials. It serves to further coordinate the internal relations of the army and ensure the internal stability thus securing the domestic stability and smooth progress of general elections in 2010.

1.3.2 The economic foundation on which the army governs the country is still solid. As stated by a Singapore journalist who accompanied Lee Kuan Yew on his visit to Myanmar, Myanmar is not a wealthy nation, but it has rich natural resources and can manage to bring out sufficiency economy. It has the conditions to say “No” to other countries’ request of democratisation and the opening up of its polity and economy. Even though there is opposition from armed ethnic forces, the military regime in power is not worried of being shaken off from the bottom. A Myanmar like this does not need the consultation of the international community before making decisions as it can adopt its own way to run the country.<sup>4</sup>

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<sup>3</sup> The Economist Intelligence Unit Limited 2008, Country Report: Myanmar, May, 2009, p. 10.

<sup>4</sup> *Asiaone*, Singapore, June 5, 2009.

Of course, in the future we shall see low level of growth, development level, and income per capita, along with some newly rising problems in economic transition. The economy will face few difficulties and problems. The reason why the Saffron Revolution in August and September 2007 drew thousands of people to join in is because the living conditions of the people had not improved for a long time. In August 2007, when the military government announced to raise the price of fuels, dissatisfaction was aroused among people, especially urban residents. However, since October 2007, Myanmar's economy has taken up a momentum of stable growth with its foreign trade and foreign reserve (USD2.1 billion in 2008) hitting the highest point in two decades. In May 2008, Cyclone Nargis brought tremendous economic and social damage to Myanmar, but it did not fundamentally affect its economy. The biggest difficulty brought by Cyclone Nargis has been overcome as the social and the economic situation is better than expected. Food price had increased by 5.3 per cent in May 2008, but in June the rate dropped to 1.9 per cent and in May to 1.6 per cent. From April to July 2008, FDI reached USD850 million, seventy times compared to USD12 million in the same period of 2007. Private export increased by 13 per cent in July. The paddy rice plantation, in the rainy season, which has the largest impact on rice output in 2008, has been completed as planned.<sup>5</sup>

According to the economic statistics released lately, the overall economy of Myanmar in the last year was in relatively good condition. As announced by official source of Myanmar, for the first ten months of the fiscal year 2008 to 2009, GDP growth rate reached 10.4 per cent (the figure is much less according to the estimation of World Bank). According to the statistics of The Economic Intelligence Unit, the inflation rate of Myanmar from October 2007 to November 2008 was 23.5 per cent, the lowest in two years. Rice export amounted to 457,000 tonnes from January to October 2008, twenty-three times the 19,600 tonnes for the same period of 2007. Although output of natural gas declined by 9.4 per cent, output of industrial products such as fertiliser, cement, and paper has experienced large increase.<sup>6</sup> In spite of weak foundation, disorder in its macro economy and an inflexible state of affairs in the short term, the economy has maintained a relatively good momentum after the disaster in general from 2008 to 2009. Although the financial crisis does have an impact on Myanmar, in terms of the status quo the impact is not sufficient enough to arouse economic chaos and social panic. Thanks to its rich resources, small economic capacity, and dominant economic relations with neighbouring countries, this momentum can remain for a time.

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<sup>5</sup> The Economist Intelligence Unit Limited 2008, Country Report: Myanmar, November, 2008, pp. 12–13.

<sup>6</sup> The Economist Intelligence Unit Limited 2008, Country Report: Myanmar, May 2009, p. 2, p. 12, p. 20, p. 25.



1.3.3 Organised forces which are supportive of political democracy road map and cooperative civilians have taken a dominant position. The Union Solidarity and Development Association, with over twenty million members, is the major supportive organised force whose members are almost half of the total population of the country. Some foreign observers believe that it may evolve into organisations like professional groups of Indonesia or Mat Tran to Quoc Viet Nam, which will play a supportive role in favour of the military regime in the general elections in 2010. Ordinary people who have belief in Buddhism do not want to see the existing situation continue after going through two decades of military rule. Therefore, most of them will vote out of abidance, hope, passive following, or having no choice. If the general election does not take place as planned, the present military regime will continue to operate in the existing form which is not in the interest of the people.

1.3.4 Ethnic conflicts in Myanmar do not have enough capacity to prevent the general elections from taking place as scheduled. Ethnic conflicts have long been in existence and the relations between the military regime and local ethnic forces are quite complicated. It is unrealistic to expect complete reconciliation in the short term. However, many of the local ethnic forces have reached reconciliation with the military government, adopted a supportive attitude (despite verified attitudes of various parties), and have participated in the referendum for the new constitution in May 2008. Compared with the constitution ratified in 1974 by Ne Win's government, although the new constitution cannot meet the entire requirements of all ethnic groups, it does grant more rights to ethnic people. It restores the House of Nations, provincial and state-level parliaments, establishes Wa autonomous prefecture in the congregated residential area of Wa people, and grants self-administered zones for the Naga, Danu, Pa-O, Palaung, and Gohan people. So to speak, these formulations in the new constitution are in favour of ethnic groups. Ethnic minority people in Myanmar are concerned with their basic rights and local development, and have come to realise the importance of peaceful development after years of conflicts and that resistance with the military government over the general elections is not in their best interest at a time of their apparent inferior position to the regime. Therefore, if no incidents happens to test their nerve, most of them will take the same attitude toward the general elections as to the new constitution.

1.3.5 In the neighbourhood of Myanmar, ASEAN, China, and India, which all share close relations with it, will not go against the general elections in 2010.

Although ASEAN takes a critical view on Myanmar about the release of Aung San Suu Kyi, it supports Myanmar to push forward political reform and democracy road map. In February 2008, when Myanmar first announced its

decision to hold a referendum for the new constitution, the secretary-general of ASEAN, Mr. Surin Pitsuwan, expressed that this was the first step taken by Myanmar toward the right direction of democracy. Over Myanmar's referendum for the new constitution, ASEAN and its member countries have not voiced any objections.

As for India, since the middle of 1990s, it has changed its indifferent attitude toward Myanmar's military government and started to develop its relations with this country. In recent years India-Myanmar relations have experienced new headway. During Minister of Foreign Affairs U Nyan Win's visit to India from December 31, 2007, to January 5, 2008, the two countries signed a natural gas exploration contract valued at USD150 million. From April 2 to 6, 2008, Vice Chairman of State Peace and Development Council U Mg Aye visited India upon the invitation of the vice president of India. During the visit, the two sides concluded a framework agreement on overall reform and development of the Kaladan River between Sittwe, Myanmar and Mizoram, India (including the reform of Sittwe Port, reform of waterway through Kaladan River between Sittwe Port and Minbya in Rakhine State and road construction on Myanmar's side from Minbya to Myanmar-India border); an MOU on Intelligence Exchange of Myanmar and India (including intelligence exchange and cooperation concerning cross-border terrorism and crimes); and a Facilities Facilitation Agreement Maintenance and Management Agreement related to the above agreements. These agreements are of significance and influence bilateral relations. As the Indian government is making efforts to develop its overall relations with Myanmar, it will not interfere or go against the general election in 2010.

China has maintained sound relations with Myanmar and is in favour of a peaceful approach to achieve domestic democracy and development. Chinese Premier Wen Jiabao expressed in his call to British MPs on September 28, 2007 that China hopes that Myanmar adopts a peaceful approach to restore the political stability, to facilitate internal reconciliation, and to finally achieve democracy and development. It was also pointed out that the international community is supposed to provide constructive aid for the settlement of Myanmar issue.<sup>7</sup> On March 27, 2009, Li Changchun, member of Standing Committee of the Political Bureau of the Central Committee of Communist Party of China, expressed during his visit to U Than Shwe, chairman of State Peace and Development Council, that in this international situation of complex changes, further progress of Sino-Myanmar relations will be faced with new opportunities. He also said that CPC and Chinese government attaches great importance in developing good neighbouring

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<sup>7</sup> *People's Daily*, September 29, 2007.

cooperative relations with Myanmar and suggested work in five aspects, in order to further strengthen the traditional friendship and deepen the mutually benefiting cooperation in all fields. These five aspects include: first, maintaining the high-level visits, through the direct communication of the leaders, thus political trust will be strengthened. Second, economic and trade relations shall be promoted as key fields and major cooperation projects shall be pushed forward. Cooperation in energy, traffic, and telecommunication between the enterprises of the two countries shall be supported. China will continuously encourage capable and faithful companies to make investment in Myanmar, and engage in its infrastructure construction. Third, the friendly relations between the people of the two countries should be constantly fostered through strengthened cultural exchange and cooperation. Fourth, exchange among political organisations shall be deepened to expand the exchange channel for the peoples of both the countries. Fifth, communication and coordination on international and regional affairs shall be strengthened to safeguard the common interest of the peoples and to promote peaceful and stable development in the region. Li Changchun spoke highly of the periodical results of Myanmar's reconstruction after the disaster and offered positive comments on Myanmar's progress in political reconciliation, economic development, and improvement of people's living.<sup>8</sup>

Observing from the close relations and intention to seize the opportunity to foster bilateral relations, and from China's consistent policy toward Myanmar in the speeches of its leaders, it is unlikely that any objection will be raised by China with regard to the general elections in 2010.

The surrounding ASEAN, China, and India have immediate influence over Myanmar. Geographically, they border Myanmar. Economically they are the most important partners of Myanmar in foreign trade, economic, and technical cooperation. As for general elections, they will at least not be against, which apparently serves as external contributor to the elections.

## **2. Opposition and Resistance Forces or Factors in General Election 2010**

The opposition and resistance forces or factors in the general elections in 2010 will be the same forces and factors which have gone against, resisted, or accused the referendum for the new constitution in May 2008. In terms of their influence over the progress of democratisation in the road map decided by the Myanmar government, since they were unable to defer the referendum for the new

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<sup>8</sup> *People's Daily*, March 27, 2009.

constitution in 2008, it is unlikely that they will be able to disturb the general elections in 2010.

2.1 As for the domestic situation, the opposition mainly refers to Aung San Suu Kyi, and the National League for Democracy (NLD) led by her. However, the opposition parties have been weakened as the military junta practiced differentiation and striking. Many parties now exist in name only. Up to now, only ten political parties are recognised. Two hundred out of over four hundred senators elected in 1990 were disqualified in 1998 in forms of resignation, self-imposed exile, natural death, or custody. The largest opposition party, NLD, was greatly weakened with its local offices shut down, grass-root organisations paralysed, and members greatly reduced. During the last two decades of military regime, its leader Aung San Suu Kyi, was under house arrest three times. The third house arrest lasted from May 2003 until now. During the revolution by the monks in August and September 2007, NLD did not play a significant role. Its opposition and resistance to the referendum did not have much influence either. Most members of the executive committee of NLD are well beyond the age of retirement while the younger members are not in good terms with them.<sup>9</sup> As the biggest rival of the military junta, NLD does not grow in strength in its confrontation with the regime. The reputation and influence of NLD to large extent hinge on the reputation, rule, and influence of Aung San Suu Kyi.<sup>10</sup> Its influence has declined dramatically since 2000, while Aung San Suu Kyi has more influence abroad than in the country.

After the new constitution was passed by the referendum in May 2008, the military regime carried on with the policy of suppressing the hardliner opposition parties and called the NLD to participate in 2010 general elections in an attempt to gain the cooperation of some members of NLD. According to the editorial of *New Light of Myanmar* on July 6, 2008, after the new constitution was passed by referendum, the NLD still continued to attain recognition of Aung San Suu Kyi's victory in the 1990 election which had been declared invalid in which NLD won 392 seats out of 485 in parliament but the military government refused to hand over the power and insisted on passing the new constitution first. The article stated that NLD should prepare for the next elections under her leadership rather than sticking to the result of 1990 elections. It is already history.<sup>11</sup> It appears that the government is taking up a more active and confident posture while NLD is

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<sup>9</sup> *Asiaone*, Singapore, March 14, 2008.

<sup>10</sup> Kyaw Yin Hlaing: Aung San Suu Kyi of Myanmar: A Review of the Lady's Biographies, *Contemporary Southeast Asia*, vol. 2, 2007, p. 365.

<sup>11</sup> *New Light of Myanmar*, July 6, 2008 .

shy of influential and charismatic policies in the new context. No matter what the national constituent assembly or the referendum for the new constitution was, NLD merely expressed their objection and was incapable of leading the situation towards a favourable direction. As for the general elections, NLD expressed that it will only participate after the new constitution is altered. However, the fact is that the constitution has already been passed by referendum, and U Than Shwe has made it crystal clear in his speech on Army Day on March 27, 2009 that the constitution will not be altered and warned against sabotage of the new constitution by all parties. So to speak, the military regime will not make concession in this issue and NLD's request is hard to materialise. In general, the political development in Myanmar for the last few years has gone against the will of the NLD. As a result, its influence will be further weakened or even differentiated. Under such circumstances, its resistance to the general elections will not substantially affect the plan.

However, Aung San Suu Kyi is still the most influential opposition leader in Myanmar who has considerable influence over Western policy toward Myanmar. David Steinberg, a distinguished American expert on Myanmar, believes that in nature Aung San Suu Kyi has effective control over US and British policy toward Myanmar, and the US has chosen its Myanmar policy based on her interest.<sup>12</sup> However, before the referendum for the new constitution was carried out, Minister of Information Kyaw San expressed definitely when meeting with UN Myanmar special envoy, Mr. Ibrahim Gambari, that Myanmar government will not alter the constitution and that opposition leader Aung San Suu Kyi stands no chance of participating in the general elections. After the new constitution was passed by referendum, such thing does not stand a chance of taking place.<sup>13</sup> At present, Aung San Suu Kyi is still under house arrest and once was interrogated because of John William Yeattaw's intrusion. However her fame and attitude will still exert considerable influence on the general elections. If she adopts an attitude of absolute objection, it will certainly have an immediate impact on the NLD and people at home, and affect the attitude and comment on the general elections by the Western world.

2.2 The members of the "democracy movement" forces such as the National Coalition Government of the Union of Burma, All Burma Students' Democratic Front, 88 Generation Students Movement, etc., were exiled to countries like Thailand, India, the US, Britain, Japan, Australia, etc., after the military regime

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<sup>12</sup> David Steinberg, "The United States and Its Allies: The Problem of Burma/Myanmar Policy", *Contemporary Southeast Asia*, vol. 2, 2007.

<sup>13</sup> *Asiaone*, Singapore, March 8, 2008.

took power in September 1988. Each organisation has a membership ranging from dozens to hundreds. These organisations have close relations with political source and anti-military regime forces in the host countries, and have been engaged in anti-government activities. They will not sit by as the general elections goes smoothly in 2010. However their domestic influence is very limited. Blindly opposing the regime, they have adopted extreme means like the use of violence which have brought them the infamous reputation of extreme organisations or terrorist organisations, and they still lack a mass foundation. Although their conduct will cause some tension, they are incapable of affecting the progress of the general elections.

2.3 In a global context, Western policies will not be powerful enough to shake the rule of the military regime and do not have decisive influence over the progress of democracy road map and general elections. Its influence can be found in the world recognition (mainly Western countries) of and credibility of the election process and result.

As pointed out by David Steinberg, over the years, the US's putting sanctions and limiting policies on Myanmar, along with such measures took up by the EU on a lesser scale, are based on a series of supposition or assumption. Such policies involve the following theories: (1) use external mass pressure to restrict the military regime; (2) such pressure will force the ruling elite to give up the power; (3) the army leaders agree on the existing dictatorship and isolationism; (4) NLD taking up power is the only possible option; (5) political reform shall go before the economic or social reform; (6) once a sanction is placed, it can be lifted easily and positive changes will take place. All these are proposed in the fundamental premise that the regime is controlled or participated or initiated by NLD, namely the priority being political issue. Advancement in other fields will not be achieved without the settlement of the political issue. In any society, the dominant role of an army is disturbing.<sup>14</sup> Such policy based on assumption and disconnected with the status quo of Myanmar, certainly would not work. As a matter of fact, it did not work. As a result, policy-making officials in the US became more and more impatient and believed that the sanction policy targeted to overthrow the military regime has neither played a part nor gravely damaged the power of the army. Even with its embodiment as a State Law and Order Restoration Council (SLORC) or State Peace and Development Council, the military junta has become more powerful than ever.<sup>15</sup>

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<sup>14</sup> David Steinberg, "The United States and Its Allies: The Problem of Burma/Myanmar Policy", *Contemporary Southeast Asia*, vol. 2, 2007.

<sup>15</sup> *Ibid.*

At present the US and EU are both considering to adjust their policies towards Myanmar, but how the adjustment in the policies will be made remains unknown. However, the US and EU still adopt sanctions and limits policies to some extent. When Myanmar is not effectively isolated (in fact as Myanmar's relation with neighbouring countries remains close and friendly, it cannot be effectively isolated), the isolation diplomacy adopted by the US and EU in some measure does not work. "Therefore sanction imposed by the US cannot really change the system effectively as expected but rather simply serves as a moral position at a political stage."<sup>16</sup>

At the same time, as stated by David Steinberg, lack of efficient policy has adversely affected the well-being of people in Myanmar, thus, weakened its influence over the common Burmese people (although the opposition forces have been inspired by this policy). It is because of this reason that although Western world has adopted a consistent policy of criticising and questioning and had raised objections on new constitution and referendum for new constitution in May 2008, it had little influence over the common people who participated in the referendum and who gave their affirmative vote. In the same way even if the US and EU are still against 2010 general elections, such an attitude will not affect the elections. However, because of their status and role in the international community, their policies and attitudes will have significant impact on the credibility and recognition of the elections worldwide.

### **3. Possible Focus of General Elections 2010: A Free, Fair, and Transparent Elections or Not**

Based on the above analysis, we have the reason to believe that the contributing factors or cooperative factors will undoubtedly play a dominant role in 2010 general elections, which means the elections will take place as planned in the democracy road map designed by the military regime. However, voices of the opposition forces, attention of the international community and pressure from the Western world will all affect the process and result of the elections. Under such circumstance, the most crucial task faced by Myanmar is not whether it will take place or not, but rather the credibility and recognition of the general elections by the international community.

The leadership of Myanmar has realised this question too. In June 2009, during the visit of Lee Kuan Yew, minister mentor of Singapore, to Myanmar and talks with U Than Shwe and General Thein Sein, they explained the seven-

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<sup>16</sup> Ibid.

step democracy road map and preparation made for the general elections and undertook that the general elections next year will be a free, fair, and a transparent democratic process.<sup>17</sup>

However, on such declaration made by the leadership of Myanmar, some parties are quite doubtful, including governments which hold an opposition or non-trust position (especially the US and some Western countries, some influential NGOs, and even some international organisations). Consequently, these countries and organisations will probably be committed to ensure a fair, free, and transparent elections by some means, like asking or suggesting that the UN send independent observers. The military regime of Myanmar which has long embraced a strong sense of sovereignty and independence and opposed external intervention of its domestic affairs will not accept such offers. In May 2008, before the referendum took place, during the visit of UN special envoy Mr. Ibrahim Gambari to Myanmar, he mentioned about the UN sending an observer on March 9 which received a blank refusal. Back then Mr. Ibrahim Gambari expressed that supervision would help to enhance the credibility of the referendum in international community while Yangon believed that the referendum is a sheer domestic affair and there was no precedent case. If the offer is taken, the sovereignty would be violated. As a result, a blank refusal was given.

Nevertheless, given the image of Myanmar's domestic politics and Myanmar government in the eyes of the world, credibility, and recognition of the general elections in 2010 is after all a question of concern. While UN observation is not an option, there may be other plans, which the Myanmar government is willing to accept. As a member of ASEAN, its conduct and ASEAN's attitude toward Myanmar will affect the reputation of ASEAN. As a matter of fact, in recent years some leaders and senators from ASEAN countries have voiced criticism on Myanmar tarnishing ASEAN's image with its conduct. Whether a free, fair, and transparent elections will be achieved is the concern of ASEAN too. With regard to the Western countries putting pressure on ASEAN over the Myanmar issue, they will probably keep doing so concerning the elections. Therefore we cannot rule out the possibility of a middle-way supervision scheme. That is, an observer sent by ASEAN in some way will perform supervision over the elections. If such an offer is proposed, will the military regime accept? It depends on what kind of attitude and suggestion posed by ASEAN and whether the military regime is suspicious of it or not.

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<sup>17</sup> *Asiaone*, Singapore, June 4, 2009.



# Myanmar<sup>1</sup>: Foreign Policy Based on Economic rather than Political Imperatives

*Harn Yawngghwe*<sup>2</sup>

## 1. Background to Myanmar's Foreign Policy

Prior to the establishment of the Republic of the Union of Burma (Myanmar) in 1948, Myanmar was the home of several ethnically diverse kingdoms and nations.

The Kingdom of Arakan existed before the Common Era.<sup>3</sup> It was located in the west on the Bay of Bengal. It had relations mainly with South Asia. The Mon kingdoms in the south existed from about 825 AD.<sup>4</sup> They battled Burman kings to the north and had relations with Siam in the east. The Shan principalities in the east existed several centuries before the advent of the Burmans. They were either independent or paid tribute to Burman kings to the west, Siamese kings to the south, or the Chinese emperor to the north. From about the 11th century, Burman kings established themselves in the central plains. They fought with Manipur to the northwest and Siam to the southeast. They also established relations with China to the north. The British engulfed the warring nations of Myanmar in the 19th century and peace was maintained for about fifty years.

The advent of the Second World War threw the land that is now known as Myanmar into a turmoil from which it has never fully recovered. Myanmar was fought over twice in the war—once, when the British retreated to India, and the second time, when the Allies recaptured it from the Japanese.

Many factors contributed to the growing sense of paranoia: the assassination of national hero General Aung San in 1947 prior to independence; the rebellion of the Burmese Communist Party at independence in 1948; the mutiny of the Burma Army; the Karen uprising in 1949; and the Kuomintang invasion of Shan State in the 1950s, followed by the Cold War.

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<sup>1</sup> The use of “*Myanmar*” in this paper by the author does not have any political significance. It is used here merely because this paper is being presented in China, and “Myanmar” in the Burmese language is interchangeable with “Burma” or “Bama.”

<sup>2</sup> Harn Yawngghwe, is the Executive Director of the Euro-Burma Office in Brussels.

<sup>3</sup> G. E. Harvey, *History of Burma*, Frank Cass & Co. Ltd, London, 1967, p. 369.

<sup>4</sup> *Ibid*, p. 368.

Today, the key objectives of the nation are stated as follows<sup>5</sup> (author's *emphasis*):

Four Political Objectives:

1. *Stability* of the State, community peace and tranquility, prevalence of law and order;
2. National *reconsolidation*;
3. Emergence of a new *enduring* State constitution;
4. Building of a new modern developed nation *in accord with* the new State constitution.

Four Economic Objectives:

1. Development of agriculture as the base and all-round development of other sectors of the economy as well;
2. *Proper* evolution of the market-oriented economic system;
3. Development of the economy inviting participation in terms of *technical know-how* and investments from sources inside the country and abroad;
4. The initiative to shape the national economy *must be kept in the hands of the State and its people*.

Four Social Objectives:

1. Uplift of the morale and morality of the entire nation;
2. Uplift of national prestige and integrity and preservation and safeguarding of cultural heritage and national character;
3. Uplift of dynamism of patriotic spirit;
4. Uplift of health, fitness, and education standards of the entire nation.

These objectives are always on the front pages of the *New Light of Myanmar*; and the "People's Desire", a column which always appears on page 2, makes it even more clear that the external world is viewed as a danger to the Myanmar nation.

People's Desire:

1. Oppose those relying on *external* elements, acting as stooges, holding negative views;
2. Oppose those trying to *jeopardize stability* of the State and progress of the nation;
3. Oppose *foreign nations interfering* in internal affairs of the State;
4. Crush all internal and *external destructive elements* as the common enemy.

Another key factor that has contributed to this sense of unease and besiegement is the difference in the concept of nation building held by the Burman majority (especially by the Burma Army) and that held by the ethnic nationalities that make up 40 per cent of the population and live in 60 per cent of the territory.

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<sup>5</sup> *The New Light of Myanmar*, Volume XVII, Number 36, Friday, 22 May 2009.

According to Burman nationalists, the British who proceeded to carve up the nation into separate entities in order to more easily rule the conquered nation interrupted the Burman empire. Therefore, it was the task of the army to “reconsolidate” the territory that had been divided into a unified nation under the slogan of “One blood, one voice, one command.”

According to ethnic nationalists, the Burman empire was already in decline when the British arrived and they did no more than recognise the reality on the ground and governed “Burma Proper” separately and differently from the ethnic territories. The British did not divide and rule.

To the ethnic nationalists, the basis for the Union of Burma was the 1947 Panglong Agreement, where independent entities agreed voluntarily to merge their territories into the Union of Burma based on equality and mutual respect. To them the slogan of “One blood” smacks of chauvinism and racism. “Unity in diversity” is the slogan to which they aspire and “national reconciliation” is the political process they espouse.<sup>6</sup>

This difference in concept has led to the various ethnic states rebelling against the central authority for sixty out of the sixty-one years of independence.

Given this conflict and the state of mind moulded by events since independence, Burmese leaders, from the democratically elected Prime Minister U Nu to the dictators General Ne Win and Senior-General Than Shwe, have all been preoccupied with Myanmar’s sovereignty, independence and territorial integrity rather than with economic development or trade.

## **2. Development of Myanmar’s Foreign Policy in Modern Times**

### **India**

Given that Myanmar was at one time part of British India, Myanmar developed close ties with India even before independence. When U Nu’s government almost collapsed during the civil war in 1949, India sent arms and arranged for financial support from Commonwealth countries. Prime Minister U Nu also depended on India’s Jawaharlal Nehru to guide him in steering a neutral course for Myanmar as the Cold War developed.<sup>7</sup> They attended the Bandung Conference together in 1955 and championed the “Five Principles of Peaceful Coexistence”, which are today the cornerstone of the Non-Aligned Movement, Myanmar’s foreign policy, as well as those of India and China:

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<sup>6</sup> Ethnic Nationalities Council, Statement No.1/2007, 12 February 2007 – “60th Anniversary of the Panglong Agreement”.

<sup>7</sup> Chi-shad Liang, *Burma’s Foreign Relations – Neutralism in Theory and Practice*, Praeger, New York, Westport, Connecticut and London, 1990, p. 128.

1. Mutual respect for each other's territorial integrity and sovereignty;
2. Mutual non-aggression;
3. Mutual non-interference in domestic affairs;
4. Equality and mutual benefit;
5. Peaceful co-existence.

As can be seen, the focus was wholly security-related. This fitted well with the Myanmar concern at that time to:<sup>8</sup>

1. Preserve Myanmar's territorial integrity and independence;
2. Build internal unity by suppressing insurgencies – communists and ethnic nationalities;
3. Rebuild Burma's economy, which had been devastated by the Second World War.

Relations with India deteriorated in the 1960s, and reached their lowest point in 1988, when India supported the pro-democracy demonstration in Myanmar. However, as Chinese influence in Myanmar increased, India dropped its support for the opposition and began to improve its ties with Myanmar. It adopted a "Look East" policy in 1991 to promote economic development in the northeast, and began initiatives to develop closer economic ties with Myanmar. Today, India is keen to purchase natural gas from Myanmar, and has become one of the key nations that Myanmar uses to balance its relations with China.

## China

The coming-to-power of the Chinese Communist Party in China caused Myanmar to adopt an even more cautious foreign policy. It was clear that Myanmar had to steer a neutral course between its two giant neighbours, and Myanmar became the first nation to recognise the communist government in Beijing in December 1949.

Myanmar was even more uncomfortable when China exercised its sovereignty over Tibet and intervened in the Korean conflict. Although Myanmar supported UN action in Korea, it refrained from condemning China as the aggressor because it did not want to provoke China.

As the Communist Party consolidated power in China, nationalist (Kuomintang) troops under General Li Mi retreated into the Shan State. They not only established bases in Myanmar but also made incursions into China. This problem was finally resolved in 1961 when Chinese troops helped the Burma Army push out Kuomintang troops into Thailand.

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<sup>8</sup> John W Henderson, Judith M Heiman, Kenneth W Martindale, Rinn-Sup Shinn, John O Weaver, & Eston T. White, *Area Handbook for Burma*, Foreign Area Studies of the American University, Washington DC, 1971, p. 188; and Chi-shad Liang, 1990, p. 59.

Relations between Myanmar and China were improved in 1954, when Prime Minister U Nu and Prime Minister and Foreign Minister Chou En-Lai agreed that the “Five Principles of Peaceful Co-existence” would be the guiding principles of relations between the two countries.

Problems between Myanmar and China arose again in 1967 when anti-Chinese riots broke out in Rangoon and a Chinese Embassy staff member was fatally stabbed. Until 1988, the Chinese Communist Party provided support to the Burmese Communist Party to overthrow the government of General Ne Win.

Since then, China has become one of the main pillars of Myanmar’s foreign policy. Economic ties with China and neighbouring countries have effectively countered the effects of sanctions imposed by the international community. The sale of weapons and China’s veto at the UN Security Council has also helped Myanmar to stand up to pressure for change.

### **The West**

After independence, Myanmar sought economic and military assistance from Britain and the United States. However, while Britain was anti-communist and might have been open to helping the newly independent nation put down a communist rebellion, it was not happy with Myanmar’s policy of suppressing the Karens, who were anti-communist and Britain’s wartime allies. The US was too preoccupied with Europe to pay much attention and saw Myanmar as being Britain’s problem since it was a former colony.

Myanmar also relied heavily on the United Nations to protect its sovereignty and territorial integrity but, with the Korean War, it saw the UN becoming a tool of Western powers and decided to pursue a more non-aligned course.

### **Russia**

Myanmar leaders were receptive to the Soviet Union but the feeling was not reciprocated. Instead, Myanmar was seen as being a stooge of imperialism and the Soviet Union supported a faction of the Burmese Communist Party.

In order to remain neutral, Myanmar voted with the Soviet Union on several occasions at the United Nations. Relations improved after General Ne Win took over in 1962. Nevertheless, in 1979, Myanmar withdrew from the Non-Aligned Movement because Myanmar felt that the NAM had become too aligned with the Soviet Union.

Myanmar has been careful though not to offend the Soviet Union. This has paid off as Myanmar can now depend on Russia to veto any resolution on Myanmar at the United Nations Security Council.

## Japan

In spite of the harsh occupation of Myanmar during the Second World War, Japan has maintained very close ties with Myanmar until recently. This might be explained by the fact that Japan trained and supported Burmese leaders during their struggle for independence from the British.

Japan also provided very generous reparation payments for the war. From 1955 to 1988, Japan provided over 80 per cent of all foreign aid to Myanmar, which represented up to one-third of Myanmar's public capital.<sup>9</sup>

In the 2000s, Japan tried to assist the government of Myanmar to restructure its financial system. The assistance was turned down and relations have remained lukewarm.<sup>10</sup>

## ASEAN and Other Asian Countries

Thailand and Myanmar have a love-hate relationship. They have been rivals for centuries and the existence of first the Kuomintang troops and then Karen, Karenni, Mon, and Shan rebels—as well as armed pro-democracy dissidents along the 2,000-kilometer undemarcated border—has not helped matters.

Thailand has benefited from the turmoil in Myanmar. Drugs, illegal migrants, human trafficking, timber, fish, gems, and gas from Myanmar have all found ready markets in Thailand and beyond. Relations improved in 1988 when General Chavalit flew to Rangoon to assist the Burmese generals in exchange for trade.

However, suspicions on both sides persist despite the fact that Myanmar joined ASEAN in 1997. Other ASEAN nations that have significant relations with Myanmar include:

Malaysia. Given that then prime minister Dr. Mahathir championed Myanmar's entry into ASEAN in 1997, Malaysia was seen as a friend by Myanmar. However, the appointment of Malaysian Ambassador Tan Sri Ishmael Razali as the UN special envoy for Myanmar proved this wrong. The efforts of Malaysia as chair of ASEAN to send a special ASEAN envoy to Myanmar also failed. Since then Malaysia has not been able to influence events in Myanmar.

Indonesia. Myanmar supported Indonesia in her struggle for independence and they worked together to convene the Asia-Africa Conference at Bandung, which later led to the formation of the Non-Aligned Movement. Relations cooled in the 1960s until General Ne Win visited in 1973 and tried to emulate Pertamina with the Myanmar Oil Corporation. Senior General Than Shwe also tried to emulate the Indonesian "dua-fungsi"

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<sup>9</sup> Chi-shad Liang, 1990, p. 153.

<sup>10</sup> *Japan Times*, 6 December 2000, Japan, "Myanmar to work on economic aid report".

system for the Burma Army. It was also thought that Myanmar would follow the Indonesian transition model to democracy. President Dr. Susilo Bambang Yudhoyono, an ex-army general himself, is said to be interested in promoting this. However, given Indonesia's very rapid transition to democracy, Myanmar may no longer be interested.

Singapore. Senior Minister Goh Chok Tong as prime minister had also championed Myanmar's entry into ASEAN in 1997. Goh was said to be respected by Senior General Than Shwe. However, Goh's visit to Myanmar in 2009, in the wake of Daw Aung San Suu Kyi's trial, to convey the message that there would be no more Singaporean investments unless the situation in Myanmar changed, was not well received. Singapore may well have joined the long list of nations Myanmar chooses to ignore.

Vietnam. Relations with Vietnam were not close until Myanmar joined ASEAN in 1997. Since then, Myanmar has found it useful to cultivate Vietnam, which is the acknowledged leader of the "second-tier" ASEAN members. Vietnam's strict adherence to "non-interference in domestic affairs" has helped Myanmar to stave off more aggressive and liberal "first-tier" ASEAN members and the international community. Vietnam has not spoken out against Myanmar in the international arena and may remain a potential actor to influence Myanmar.

North Korea. Myanmar established diplomatic relations with both Koreas in 1975 but broke off relations with Pyongyang in 1983 after North Korea attempted to assassinate South Korean President Chun Doo Hwan in Rangoon. Four of his cabinet ministers and thirteen members of his entourage were killed. In spite of this, trade with North Korea continued and in 1986, imports from the North were six times that of imports from the South.<sup>11</sup> In 2007, diplomatic relations with North Korea were restored. Recent news reports claim that Myanmar is looking to purchase weapons, tunnelling technology, and nuclear technology from North Korea.<sup>12</sup>

### 3. Status of Myanmar Today

Unfortunately, the international focus on Myanmar has remained political. The 1988 pro-democracy demonstrations, the brutal suppression of unarmed civilians, Daw Aung San Suu Kyi's political debut, the 1990 general elections, the Saffron Revolution in 2007, Cyclone Nargis in 2008, and the trial of Daw

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<sup>11</sup> Chi-Shad Liang, 1990, p. 157 & p. 159.

<sup>12</sup> Norman Robespierre, 4 October 2008, "Nuclear Bond for North Korea and Myanmar," *Asia Times*.

Aung San Suu Kyi in 2009 have all fired the public imagination domestically and internationally.

This strong political focus has tended to ignore all other aspects of the situation in Myanmar. However, if we look at other social and economic indicators, we will see that we should be concerned about more than politics in Myanmar. It would seem that Myanmar's attempt to protect its independence, sovereignty, and territory by focusing solely on strategic political factors has not been that successful.

A simple measure of a nation's well-being is the GDP per capita. The following shows how Myanmar has done in the last thirty-five years compared to her neighbours in ASEAN:<sup>13</sup>

	1970 (US Dollars)	2005 (US Dollars)	Growth
Cambodia	91	451	5x
Laos	45	507	11x
Malaysia	331	5378	19x
<b>Myanmar</b>	<b>107</b>	<b>249</b>	<b>2x</b>
Philippines	183	1167	7x
Thailand	191	2800	14x
Vietnam	65	621	10x

It is evident that Myanmar has done worse than any of her neighbours of comparable size (Cambodia and Laos are smaller but have been included to show how less-developed ASEAN members compare).

In addition, other UN statistics<sup>14</sup> show the following:

2005	Life Expectancy (Yrs)	Infant Mortality (per 1000 live births)	HDI Rank
Cambodia	58.0	70	131
Laos	63.2	56	130
Malaysia	73.7	10	63
<b>Myanmar</b>	<b>60.8</b>	<b>74</b>	<b>132</b>
Philippines	71.0	23	90
Thailand	69.6	6	78
Vietnam	73.7	13	105

<sup>13</sup> United Nations Statistical Division, National Accounts.

<sup>14</sup> Internally Displaced Monitoring Center; International Telecommunications Union; UNAIDS; UNDP – Human Development Reports, 2000 to 2005; UNHCR; UNICEF; and WHO.



2005	Underweight Children (%)	Undernourished Population (%)	Phone Lines (per 1000)
Cambodia	36	26	2
Laos	37	19	15
Malaysia	8	<5	172
<b>Myanmar</b>	<b>32</b>	<b>19</b>	<b>10</b>
Philippines	28	16	41
Thailand	9	17	110
Vietnam	20	14	188

2005	Physicians (per 100,000)	HIV (%)	Refugees Generated	IDPs
Cambodia	16	1.0	17,806	N/A
Laos	59	0.1	24,442	N/A
Malaysia	70	0.5	394	N/A
<b>Myanmar</b>	<b>36</b>	<b>0.8</b>	<b>164,864</b>	<b>540,000</b>
Philippines	58	N/A	465	60,000
Thailand	37	1.4	424	N/A
Vietnam	53	0.5	358,248	N/A

A 2008 Brookings Institution analysis<sup>15</sup> and a University of Maryland study<sup>16</sup> also suggest that Myanmar is a “critically weak state”. “Weak” states are defined by the Brookings Institution as countries lacking the capacity and/or will to foster an environment conducive to:

- a. Fostering sustainable and equitable economic growth
- b. Establishing and maintaining legitimate, transparent, and accountable political institutions
- c. Securing their population from violent conflict and controlling their territory
- d. Meeting the basic human needs of their population

In this context, Myanmar is a “critically weak” state in the bottom 20 per cent of the countries surveyed. Myanmar’s overall ranking is 17 out of 141 with a score

<sup>15</sup> *Index of State Weakness in the Developing World*, Susan E Rica and Stewart Patrick, 2008, Brookings Institution, USA. [www.brookings.edu](http://www.brookings.edu)

<sup>16</sup> *Peace and Conflict 2008*, J. Joseph Hewitt, Jonathan Wilkenfeld, and Ted Robert Gurr, 2008, Center for International Development and Crisis Management, University of Maryland, USA. [www.cidcm.umd.edu](http://www.cidcm.umd.edu)

of 4.16. The lowest score is 0.52 for Somalia and highest score is 9.41 for the Slovak Republic. According to the Brookings study:

	<b>Ranking</b>	<b>Score</b>
Cambodia	34	5.27
Laos	45	5.53
Malaysia	124	8.20
<b>Myanmar</b>	<b>17</b>	<b>4.16</b>
Philippines	58	6.08
Thailand	79	6.50
Vietnam	83	6.66

The key definition of a “weak state is that it is incapable of or unwilling to fulfil its responsibilities as a government. In other words, there is a disconnection between the rulers and the ruled. This is a dangerous situation for any country that is concerned about its territorial integrity.

Taking all the above indicators together, it is very clear that Myanmar has more than failed in its task to protect its independence, sovereignty, and territory by focusing solely on strategic political factors. A nation cannot protect its sovereignty if the basic needs of its population cannot be met, if it cannot provide security to its people and protect its territory, if it cannot sustain equitable economic growth, and if it cannot maintain accountable political institutions.

#### **4. Myanmar’s Economy**

The country that is most similar to Myanmar in its geographic location, size, population, and culture is Thailand. In colonial times, Myanmar’s per capita exports were more than double and its per capita imports were double those of Thailand. Of the neighbouring countries compared with Myanmar above, only British Malaya’s (Malaysia) exports exceeded those of Myanmar because its tin and rubber resources were primary commodities for the British. Even after the devastation of the Second World War, Myanmar was not too far behind Thailand by most economic and development indicators. The growth rate for per capita income for the two countries did not diverge until 1965.<sup>17</sup> General Ne Win took over in 1962. He was more focused on controls and achieving political objectives. Today, Thailand’s GDP per capita is at least ten times greater than Myanmar’s.

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<sup>17</sup> *Economic Development of Burma – A Vision and a Strategy*, A study by Burmese economists, 2000, Olof Palme International Center, Stockholm.

The structure of Myanmar's economy has not changed much since independence. Agriculture is the dominant sector of the economy:<sup>18</sup>

Agricultural employment as percentage of labour force	65
Agriculture as percentage of commodity production	76
Agricultural goods as percentage of exports	40

(Note: 1995 figures – gas sales may now exceed agricultural exports)

Structure of GDP output (%) in 2008:<sup>19</sup>

Agriculture	40.9
Industry	19.7
Services	39.3

Myanmar's agricultural products are rice, pulses, beans, sesame, groundnuts, sugarcane, hardwood, fish, and fish products.<sup>20</sup>

Myanmar's industrial products are agricultural processing, wood and wood products, copper, tin, tungsten, iron, cement, construction material, pharmaceuticals, fertiliser, oil, natural gas, garments, jade, and gems.<sup>21</sup>

Myanmar's exports are natural gas, wood products, pulses, beans, fish, rice, clothing, jade, and gems. Official export figures are grossly underestimated due to the value of timber, gems, narcotics, rice, and other products smuggled into Thailand, China, and Bangladesh.<sup>22</sup>

Myanmar's imports are fabric, petroleum products, fertiliser, plastics, machinery, transport equipment, cement, construction materials, crude oil, food products, and edible oils. Official import figures are also grossly underestimated due to the value of consumer goods, diesel fuel, and other products smuggled in from Thailand, China, Malaysia, and India.<sup>23</sup>

Myanmar's trading partners are:<sup>24</sup>

	Exports (%)	Import (%)
<b>China</b>	<b>6.7</b>	<b>28.8</b>
France	1.1	-
Germany	2.8	-
Hong Kong	-	1.1

<sup>18</sup> Ibid.

<sup>19</sup> CIA Factbook – Burma.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> CIA Factbook – Burma.

<sup>24</sup> Asian Development Bank.

<b>India</b>	<b>12.1</b>	<b>3.4</b>
Indonesia	-	2.4
<b>Japan</b>	<b>5.0</b>	<b>2.8</b>
Korea North	-	1.0
Korea South	-	3.7
<b>Malaysia</b>	<b>3.3</b>	<b>7.6</b>
<b>Singapore</b>	<b>2.7</b>	<b>18.4</b>
<b>Thailand</b>	<b>43.8</b>	<b>21.8</b>
UK	1.6	-

From the above table, it is clear that Thailand, China, Singapore, India, Japan, and Malaysia are the main trading partners of Myanmar (including Bangladesh if unofficial trade is taken into account).

Thailand imports forestry products, marine products, agricultural products, and natural gas from Myanmar. Thailand exports textiles, shoes, marine products, rice, rubber, jewellery, automobiles, computer, and electronic accessories to Myanmar.<sup>25</sup>

However, if we look at Thailand's economy, Myanmar does not figure in its top-ten trading partners (except maybe in the unofficial sector). The same can be said for all of Myanmar's main trading partners. This puts Myanmar at a disadvantage in any trade negotiations.

However, if we look at China's Yunnan province's economy, Myanmar ranks as its largest trading partner, accounting for 23.78 per cent of its exports and 8.56 per cent of its imports in 2000. Yunnan's next largest trading partner is Hong Kong, followed by Japan, the USA, and Vietnam.<sup>26</sup>

Unfortunately, the same cannot be said for India's northeast states of Mizoram, Manipur, Nagaland, and Arunachal Pradesh. There are three designated border-trading points at Zowkhathar, Moreh, and Lungwa. Cross-border insurgencies and restrictions on export and barter items on both sides have not helped. Gem and narcotics smuggling is also a problem. Only twenty-two items are allowed to be traded freely, including: mustard seeds, pulses and beans, fresh vegetables, fruit, and soybeans. Items like mangoes, bicycles and bicycle parts, drugs, cosmetics, fertilisers, jewellery, textiles, and pan-masala are not yet included.<sup>27</sup>

<sup>25</sup> Myanmar-Thai Bilateral Trade hits over \$2 bln in eight months of 2008-9, 8 July 2009. [www.xinhuanet.com](http://www.xinhuanet.com)

<sup>26</sup> Poon Kim Shee, *The Political Economy of China-Myanmar Relations: Strategic and Economic Dimensions*, Ritsumeikan Annual Review of International Studies, Ritsumeikan University, Japan, 2002, vol. 1, pp. 33-53.

<sup>27</sup> *India-Myanmar Trade Relations*, Syed Ali Mujtaba, Ph.D. 23 July 2007. [www.bilaterals.org/](http://www.bilaterals.org/)

India exports clothing, shoes, medicines, woollen, and engineering goods to Myanmar. Of all the imports from Myanmar, only pulses make up the majority of Indian requirements. Myanmar and India are rivals in the international turmeric market.<sup>28</sup>

## 5. A Proposed New Foreign Policy Focus

If Myanmar is to achieve its political objective of protecting its independence, sovereignty, and territorial integrity, it is clear that pursuing a foreign policy focused on strategic and political considerations alone is no longer sufficient. Indeed, it is becoming dangerous.

Myanmar must find other ways to achieve its goals. Since its economy has not kept pace with that of the region's, this is a weak point in Myanmar's line of defence. Myanmar should therefore consider using economic means to achieve its political goals.

Since the agricultural sector is the mainstay of Myanmar's economy, the first step would be to liberalise the agriculture market. The state should limit its role to improving competitive structures through providing financial credit, technical support, expanding water availability, providing land tenure, and introducing a sustainable land-use policy. While agriculture's role as a food producer will remain important, tackling the problem of rural poverty through education and agricultural development must come before further developing the agricultural sector into agribusiness enterprises for the export market. This, in the longer-term, will provide Myanmar with a stronger base from which to protect its sovereignty. To carry out such policies, Myanmar will need much more international assistance and investments than it is currently receiving.

Myanmar's industrial sector has been stagnant for many years. It consists mainly of industries that perform basic processing of raw materials. Most plants are dilapidated due to a shortage of spare parts and lack of maintenance. The shortage of electricity does not help. There are practically no facilities or institutions to provide training and to upgrade technology. The imposition of sanctions by the international community in the recent past has also discouraged the further processing or manufacturing of products in Myanmar. Raw materials shipped to another country and processed there are not subject to sanctions. The promotion of labour-intensive industries should be the first priority. The further processing of raw material should also be encouraged for both domestic and foreign consumption. Industries that have a large potential for technological enhancement and knowledge spillover should also be explored. However, in

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<sup>28</sup> Ibid.

order to improve the industrial sector, international sanctions will need to be lifted. Unless and until Myanmar improves its human rights record, this sector may have to remain untouched.

In any event, Myanmar's economy cannot be improved in a piecemeal fashion. There are also no quick fixes. Some of the major problems with Myanmar's economy are the artificial exchange rate, the chronic budget deficit—due to the need to maintain a large army, a large civil service, and large non-profitable state-owned industries—and the inability of the government to increase income through taxes, exports, or investments. Such problems cannot be solved without a comprehensive review of government policies and international assistance.

However, even with a lifting of sanctions, renewed foreign investments, and increased international aid, a reform of the economy cannot be achieved without a trained and educated population. If economic reforms are to be introduced twenty years in the future, education reform must begin now.

The state of education in Myanmar today is abysmal. Very little is spent on education and children only spend eight years in school. Although primary education in Myanmar is compulsory, 39 per cent of children never go to school. Of those who enrol, more than half will drop out; only 27 per cent complete primary school. Of those who enrol in middle school, only 30 per cent will continue onto high school. Finally, of those who enrol in high school, only 33 per cent will matriculate. In other words, a child who enters primary school has only a 1.8 per cent chance of completing high school.<sup>29</sup>

Comparative education expenditure is as follows:<sup>30</sup>

	Percentage of GDP Spent on Education
Cambodia	1.9
Laos	2.3
Malaysia	6.3
<b>Myanmar</b>	<b>1.2</b>
Philippines	2.4
Thailand	4.2
Vietname	N/A

Given these daunting statistics, the education of Burmese children must be given immediate priority if Myanmar wants to be able to continue to protect its

<sup>29</sup> Burmese economist, Olof Palme International Center – based on 1995 UNICEF study.

<sup>30</sup> CIA Factbook.

independence, sovereignty, and territorial integrity twenty years into the future. Without such human resources and economic strength, no amount of political strategising will enable Myanmar to continue to maintain its independence.

Myanmar is surrounded by giant nations with fast growing-economies. Unless Myanmar can also grow and keep up, the surrounding economies will, by default, take over Myanmar's economy.

Were those to happen, Myanmar's independence, sovereignty, and territory will be at risk.





# Myanmar's Cyclone Nargis and the Construction of Asian Disaster Prevention System

*Zhai Kun and Song Qingrun<sup>1</sup>*

## Introduction

On May 2, 2008, the severe Cyclone Nargis struck the southern Myanmar region, such as the Irrawaddy division, Mon state, Karen state, Bago division, and Yangon division, and caused heavy casualties. Active post-disaster rescue was carried out by the international community. However, due to various reasons, the rescue was not very effective. This paper focuses on the following points: first, while establishing the global disaster coping system, the international community should take the conditions and especially internal affairs of the affected countries into sufficient consideration; second, the international aid advocated by the international community should be based on humanitarianism with little international political consideration; third, China balanced well in the international post-disaster aid of the Myanmar Cyclone; fourth, since Asia went through disasters, such as the Indian Ocean tsunami, Cyclone Nargis and the Wenchuan earthquake, Asia is enhancing consensus of building a regional cooperative disaster prevention and mitigation system.

**Key Words:** Myanmar, Cyclone Nargis, rescue, system construction

## Myanmar's Cyclone Disaster Called for International Aid

1. Cyclone Nargis brought disaster to Myanmar. The very severe tropical cyclone struck the southern Myanmar region on May 2, 2008. This cyclone caused the shortage of food, fuel, electric power, and drinking water in Myanmar, and severely affected the life of cyclone victims. Myanmar is a big exporter of rice, but the cyclone attacked its main rice-producing areas. Prices of food, fuel, and

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<sup>1</sup> Zhai Kun is the Director of Institute of South Asian and Southeast Asian Studies of the China Institutes of Contemporary International Relations (CICIR).

Song Qingrun is an Assistant Professor of Institute of South Asian and Southeast Asia Studies of CICIR.

building material in Myanmar soared after the disaster and candles and battery had almost been sold out. Prices of eggs tripled in the post-disaster period. After checking its stock of rice, the Myanmar government postponed its rice export plan to Sri Lanka in May. The World Food Programme (WFP) also acclaimed that Myanmar “probably can’t carry out its original rice export plan to Sri Lanka, Bangladesh and other countries.”

The living conditions of Yangon, the economic centre of Myanmar, worsened sharply and groceries price soared after the cyclone. For instance, the price of boiling water doubled to USD0.5 per liter; the price of edible oil rose by 75 per cent to USD7 per kilogram; the price of rice doubled to USD40 per bag (each bag contains 33 kilograms); the price of vegetable soared more than twice, a cabbage cost USD1 while it had only cost USD0.25 before the cyclone. However, many people’s living expenses is just USD2 in Myanmar. The cut-off of water and electric power supply in the disaster-stricken area had a detrimental effect on public security. The local public said that “it is most horrible that the Yangon is in darkness”. Several robberies were reported in the countryside of Yangon where most inhabitants belong to the low-income class. Some stores even had to close the door and sell goods by passing through fence rails. The disaster was a heavy blow on the masses, anger and despair filled the heart of five million citizens. Some people thought pessimistically that “Yangon might disappear forever after the Cyclone”. Although the Myanmar government admitted that it had difficulties to cope with the cyclone, it was reluctant to accept all-round international aid at first. At the same time, the government was accused of being slack in disaster-relief work by many people.

According to the statistics released afterward, the cyclone had caused a severe blow on the economic and social development of Myanmar as a whole. At the 41st ASEAN Foreign Ministers Meeting, Myanmar’s Cyclone Coordinative Organisation Union which consists of representatives from ASEAN, UN, and the Myanmar government submitted a joint report on related information of the Myanmar cyclone for the first time. The report said that the economic losses caused by Nargis ranged from USD4.03 billion to USD4.13 billion, which accounted for 21 per cent of Myanmar’s GDP. 84,537 people were killed, 19,359 people were injured, and 53,836 people were missing in the disaster. The affected population hit 7.35 million among which the badly affected population was more than 2.4 million. The report also estimated that the rebuilding of the disaster area in the coming three years will cost USD1 billion.<sup>2</sup>

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<sup>2</sup> Zhang Yunfei, “The Report Estimated more than Four Billion US Dollars Losses Caused by the Windstorm”, *Xinhua Net*, July 21, 2008.

2. Spurred on by humanitarianism, the international community gave international aid to Myanmar as soon as possible to provide numerous aid supplies and donation. Countries among ASEAN such as Thailand, Indonesia, Singapore, and other countries such as the United States, India, Australia, Japan, New Zealand, and the EU members all declared they would provide emergency aid and put their words into practice quickly. Relief supplies from these countries came to Myanmar one after another. The UN called for USD178 million's worth of emergency assistance. On May 9, 2008, Japan said that it had sent tents, generators, and other supplies to Myanmar, which was worth about USD570,000, and Japan would offer emergency assistance of USD10 million. The EU at first supplied EUR2 million,<sup>3</sup> including ERU1.3 million from Norway, EUR0.5 million from Germany, EUR0.2 million from France, and EUR0.2 million from the Dutch. The foreign minister of India said that India had sent two naval vessels carrying food and tents to Myanmar.<sup>4</sup> The International Committee of the Red Cross, International Relief Organization World Vision, World Food Programme, and other organisations belonging to the UN acted quickly to offer drinking water, clothes, food, medicine, etc., to Myanmar. Since the Myanmar government felt anxious that the United States of America and other countries might infiltrate while offering aid, it refused offers from the United States and the international community. However, shortly afterwards, the Myanmar government appealed to the international community for aid due to internal and external pressures and began to accept some international aid. On May 23, the top leader of Myanmar, Than Shwe, met Ban Ki-moon, the secretary-general of the UN, and agreed to permit aid staff to enter Myanmar.

3. Based on the emergency rescue pattern established during the SARS, bird flu, and tsunami in Indonesia, ASEAN initiated a regional cooperative system of international rescue centred on ASEAN zealously, which is what we should attach importance to. Senior officials of ASEAN, the ASEAN+3 and the East Asia Summit (EAS) engaged in an informal consultation on the Myanmar disaster shortly after it. In order to discuss and consult on disaster relief and post-disaster rebuilding in Myanmar, Lee Hsien Loong, prime minister of Singapore, sent a message to U Nyan Win, the foreign minister of Myanmar, to advise

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<sup>3</sup> On Dec,19, 2008, the EU decided to provided EUR40.5 million of humanitarian aid for post-disaster rebuilding of Myanmar, within which EUR22 million will be offered to disaster victims in Irrawaddy River area, and the remaining fund will be offered to victims of the Nargis. What is important is that the EU did not deny the cooperation of Myanmar. A senior officer of EU Development and Humanitarian Aid said that the Myanmar government made a big progress on cooperation of post-disaster relief with the EU.

<sup>4</sup> Lei Huai, About Burma's Rejection of American Aid, Youth Reference, May 9, 2008.

holding a special ASEAN Foreign Ministers Meeting for disaster relief. On May 19, 2008, ten foreign ministers of ASEAN took part in a special meeting held in Singapore and agreed to establish a Myanmar disaster-relief cooperative system led by ASEAN. The meeting also established an advanced team under the leadership of ASEAN Secretary-General Surin to take responsibility of the operation of the system. The advanced team, the United Nations as well as a Myanmar central coordinative organisation cooperated together to carry out the coordinative system. The chairman's statement released after the meeting proclaimed that the international aid handled by ASEAN should not be politicised. In addition, based on this proclamation, the Myanmar government agreed to accept international aid.<sup>5</sup> On May 25, aimed at further offerings from the international community for the rebuilding of Myanmar, the ASEAN-UN International Donation Meeting was held at Yangon, Myanmar. This meeting was proposed by the ASEAN Special Foreign Ministers Meeting and initiated by ASEAN and UN. Thein Sein, the prime minister of Myanmar, Ban Ki-moon, the secretary-general of the UN, George Yeo, the foreign minister of Singapore that currently held the rotating ASEAN presidency, representatives of the ten ASEAN countries, and some Western countries and international organisations took part in the donation meeting. Countries and international organisations that took part in the meeting donated to support the post-disaster rebuilding of Myanmar.<sup>6</sup> The ASEAN Regional Forum released a twenty-seven countries' statement, which said that they were prepared to take part in disaster relief and post-disaster relief. The statement also proposed that the Myanmar government "should establish a coordination system to cooperate with international community and aid agencies."

## **International Aid Encountered Double Limitation**

After the disaster, a sympathetic air floated all around the world. Even the secretary-general of the UN Ban Ki-moon, who often criticised Myanmar, also said that he was "terribly shocked". He expressed sympathy and solicitude for disaster victims and said he would do his best to offer humanitarian aid. On May 22, Ban Ki-moon went to Yangon to coordinate the UN and international community to assist the Myanmar government's disaster-relief, and Ban Ki-moon became the second UN secretary-general who visited Myanmar, the first one was

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<sup>5</sup> Zhang Yongxing and Zheng Xiaoyi, "ASEAN Special Foreign Minister Conference Agree to establish Myanmar Disaster Relief Coordination Mechanism", *Xinhua Net*, Singapore, May 19, 2008.

<sup>6</sup> Foreign Minister Yang Jieci is Present at the ASEAN-UN Myanmar Disaster Aid International Donation Meeting, website of China Foreign Ministry, May 25, 2008  
<http://www.mfa.gov.cn/chn/zxxx/t440281.htm>

the late UN secretary-general U Thant who was Myanmar. Australia had always been discontented with the Myanmar government, but after the disaster, Steven Smith, the foreign minister of Australia, said that politics should not meddle in disaster relief and the international community should focus on humanitarian aid to Myanmar instead of criticising the way the Myanmar government was coping with the disaster. In addition, he said that Australia would offer aid to Myanmar. For the humanitarian purpose, the international aid organisations provided humanitarian supplies to Myanmar, which lessened the contradiction caused by the discussion on Myanmar's democratic process. If the Myanmar government could make good use of the sympathy of the international community, it could release the pressure from international community. However, the Myanmar government did not hold an open and cooperative attitude toward international community like Indonesia had done after the 2004 tsunami.

The Myanmar government did not coordinate with the international community on its disaster relief, which in turn excessively curbed its disaster relief and missed the golden opportunity of the post-disaster relief. The Myanmar government was severely criticised. Western public opinion even warned the Myanmar government that they would engaged in disaster relief regardless of the Myanmar government's approval. The situation of international rescue for the disaster dramatically became complicated.<sup>7</sup>

1. The Myanmar government did not react actively toward international aid and was unable to accept the flooding in of international aid. (1) The Myanmar government then was in a spot of trouble. On one hand, it had to deal with post-disaster relief and on the other hand it had to ensure the success of the proposed charter in the referendum which was held on May 10, 2008, and paved the way for the general elections in 2010.

In the immediate time of the cyclone, the Myanmar government, with scepticism and apprehension toward the international community, adopted a "referendum first, disaster-relief second" policy. This policy made Myanmar government miss the golden opportunity of post-disaster relief and both the local people and the international community criticised this. "We need drinking water but not the referendum," cyclone victims complained. They also complained that soldiers appeared everywhere when the Saffron Revolution broke out, but were no where to be seen when the disaster occurred. Scott Marshall, the first US representative at ASEAN, said that the Myanmar authority should focus on post-disaster relief instead of holding the referendum right on time. On May 6, the

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<sup>7</sup> Glenn Kessler and Dan Eggen, "Bush Plans Call to Chinese Leader Over Burma's Stance on Aid", *The Washington Post*, May 10, 2008.

Myanmar government, under the pressure of severe disaster and public pressure, announced that the constitution referendum in disaster areas would be postponed to May 24. (2) As a long reclusive nation, the Myanmar government lacked the experience in coordinating with the international rescue teams. The Central Disaster Prevention and Rescue Committee, under the leadership of the prime minister, could not deploy resources efficiently. The new capital Naypyitaw had difficulties in communicating with embassies left in Yangon. All these problems placed the Myanmar government in a dilemma while facing such an unexpected disaster. (3) The Myanmar government holds the principle of non-interference in internal affairs and administrates self-remoulding. Therefore, the Myanmar government was worried that the Western countries and the international aid organisations would collaborate with local anti-government forces to engage in infiltrative and subversive activities. In the early period after the disaster, the Myanmar government were trapped in a dilemma: If it continued to reject disaster aid from US and other Western countries, it would perform poorly in the disaster-relief work and this would lead to great criticism from the masses as well as Western countries. However, if the Myanmar government accepted material and aid staff to enter Myanmar to work freely, they may conspire with local anti-government forces to promote anti-government campaigns. Such hesitations of the Myanmar government impeded disaster-relief work and made them miss the best time of disaster rescue.

2. The Myanmar government was generally criticised by the international community for its inefficiency of disaster relief,<sup>8</sup> and it deserved lowest international fame. Western countries, headed by the US, made a violent onslaught on the Myanmar government for its poor early warning of the cyclone and its poor post-disaster relief work. Laura Bush, the former first lady of America, warned the Myanmar government not to stick to the new constitution referendum. On May 9, 2008, the World Food Programme criticised the Myanmar government for its restrictions on disaster-relief as “unacceptable, unprecedented, and anti-humanity”. In addition, it at one time decided to stop offering supplies to Myanmar. Bernard Kouchner, foreign minister of France, said that the French government was “really worried about the way Myanmar government allocate relief money”; France just offered EUR200,000, which was also the lowest offered.<sup>9</sup>

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<sup>8</sup> Inefficiency of Myanmar government, together with the shortage and lack of organisation of non-government organisation members, greatly affected coordination between Myanmar and the international community and the success of disaster relief.

<sup>9</sup> Lei Huai, “Behind the Rejection of Myanmar: America’s Political Condition”, *Youth Reference*, May 9, 2008.

Based on humanitarianism, the international community hoped that international disaster aid could motivate Myanmar to become a coordinative, open, and democratic country. Therefore the international community was really dissatisfied with the Myanmar government's closed attitude, rejection and inefficiency. On May 24, the new constitution referendum passed with about a 93 per cent affirmative vote. Under internal and external pressures, the Myanmar government began to cooperate with the international community step by step and allowed the UN to offer supplies to Myanmar. UN announced relief supplies to Myanmar immediately.

3. Western countries took the disaster relief as a good strategic opportunity to enter and influence Myanmar. Shortly after the disaster, the US resorted to the carrot-and-stick approach with Myanmar and tried to influence Myanmar. The US was eager to enter Myanmar and remould it. On May 5, 2008, U Nyan Win, foreign minister of Myanmar, called for international aid for the first time. The US responded immediately and actively. President Bush announced that the US will offer USD250,000 and hoped that American warships could enter Myanmar to help disaster relief. At the same time, President Bush also signed a bill passed by Congress to award Aung San Suu Kyi a gold medal. First Lady Laura Bush even made it a political condition that Myanmar should implement political reform, put off the constitution referendum, and ensure that the supplies offered by the United States can be transported into Myanmar without Myanmar government's permission. Even after getting rejected by the Myanmar government, the United States continued to express its will to offer aid to Myanmar, while putting increased pressure on the Myanmar government. The United States Agency for International Development (USAID) funded USD3.25 million for Myanmar's disaster relief. The United States welcomed the acceptance of the Myanmar government to allow a United State cargo plane to transport supplies, and a White House spokesman said that he hoped it was a beginning of American disaster relief offer. Some senators even asked the USAID to assess the disaster relief handled by non-governmental organisations in Myanmar. It should be noted that the United States was dissatisfied with the way and intensity with which the Myanmar government received the American aid at that time. The US was preparing to offer enforced disaster rescue. One of the major media outlets of the US stated that the United States and some other Western countries were considering sending planes to transport supplies to Myanmar without the Myanmar government's permission.<sup>10</sup> At that time, the United States, Thailand, Japan, Indonesia, and Singapore were preparing for

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<sup>10</sup> Romesh Ratnesar, "Is It Time to Invade Burma?", *Time*, May 10, 2008.

the annual military operation called the Golden Coral Snakes Activity. So there were lots of warships and planes gathering at Southeast Asia. According to a spokesman of the United States Pacific Command, there were about twenty helicopters and six cargo planes ready for transporting supplies to Myanmar. And the United States was cautious till the end of relief. Secretary of State Condoleezza Rice said on May 13 that the United States did not want to offer enforced disaster relief. Not until early June did the American army withdraw four warships filled with supplies.<sup>11</sup>

In fact, both the cyclone of Myanmar and active disaster relief activities of international community gave Western countries a great chance to enter Myanmar. The United States took two strategies to enter Myanmar. On one hand, the United States used public campaign to vilify the Myanmar government for its rejection of international aid. Therefore, the administrative ability and international image of the Myanmar government were badly shaken. On the other hand, with the excuse of “disaster relief”, the United States exerted force on Myanmar government by sending military planes to parachute supplies into the disaster area. Obviously this way would shock the Myanmar government. If the Myanmar government would accept massive international aid in the end, the United States would have the opportunity to break the closed policy adopted by the Myanmar government for a long time. Although the Pentagon said that the US would adopt a policy to “leave as soon as possible”, the United States would have taken this as a good opportunity to expand its influence on society and people of Myanmar, and in this way to lay a foundation for controlling the domestic situation of Myanmar in the future.

## **The Strategy and Effect of China’s Relief Work for Myanmar**

China took part actively in the disaster relief and post-disaster rebuilding of Myanmar, and consolidated Sino-Myanmar friendship and strategic cooperation relations.

**1. The disaster relief situation China had to face.** First, Myanmar was going through a difficult year because it had to hold a new constitution referendum shortly after the cyclone. With the anniversary of the so-called “8888 Democratic Revolution” approaching,<sup>12</sup> some opposition bodies acclaimed

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<sup>11</sup> Ian MacKinnon, “Cyclone Nargis: Myanmar will need food aid for a year, says UN”, *The Guardian*, June 4, 2008.

<sup>12</sup> On August 8, 1988, a national anti-government parade, which was called the “8888 revolution” by opposition faction, broke out. August 8 happened to be the same day as the opening ceremony of the Beijing Olympic Games.



that they would boycott the Beijing Olympic Games to protest against China for its support for the Myanmar government. However, some Western countries made it a point to exert pressure on China. On May 10, 2008, a report from the *Washington Post* said that the United States asked China for cooperation in order that the United States can exert pressure on Myanmar and influence its administration.<sup>13</sup> On May 12, US Deputy Secretary of State John D. Negroponte's visit to China was regarded as a visit to discuss Myanmar issue with China. Second, the Wenchuan Earthquake had happened just ten days after Nargis, so China had to face two disaster-relief operations at the same time. In this case, China had to act comprehensively in order to show its rescue attitude, ability, and artifice. China also had to pay attention to the following points: first, China had to interact closely with the Myanmar government to launch relief work; second, China had to keep good balance between internationalism and patriotism; third, China had to prevent Western countries to make use of this chance.

**2. China's strategies and its effect on disaster relief.** First, China took part in the relief work actively so it had displayed an image of a great responsible power. Due to the Sino-Myanmar friendship as well as Myanmar's special geographical position and strategic position to China, China actively offered its aid. China was the first country to announce emergency aid and put words into practice quickly. On May 7, 2008, USD500,000 in cash and USD500,000's worth of humanitarian emergency supplies provided by the Chinese government arrived in Yangon. China funded USD10 million and RMB30 million for Myanmar soon afterwards. These funds were used to provide USD500,000 in cash and 176 tonnes of emergency supplies, which were sent three times; a medical team to work 14 days for Myanmar's post-disaster relief; two ambulances; two buses; some medical instruments; 100 petrol saws; forty dredges; eighteen bulldozers; 2000 tonnes of galvanized steel sheet, etc. China respected and kept close communication with Myanmar to display the true friendship between two countries. Second, China actively led the international aid based on humanitarian instead of political grounds. China was willing to let the ASEAN coordinate international relief because ASEAN had accumulated abundant experience in coping with the Indonesian tsunami and SARS. ASEAN could establish an international aid office in Myanmar to be responsible for the coordination of international relief. So the supplies provided by the Western countries can be transferred by ASEAN. Third, China led international public opinion away to ensure the success of Beijing Olympic Games. Media of the United States and European countries distorted and attacked China for its attitude toward Myanmar's disaster relief. For instance,

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<sup>13</sup> Glenn Kessler and Dan Eggen: "Bush Plans to Call to Chinese Leader Over Burma's Stance on Aid", *The Washington Post*, May 10, 2008.

German Chancellor Angela Merkel criticised China for it had hindered discussions about Myanmar in UN meetings. China reinforced high-level communication with the United States and emphasised on need for respect for Myanmar's sovereignty and dignity. China was resolutely against Western countries making use of this chance to control the Myanmar government. Except for international organisations, such as the International Committee of the Red Cross (ICRC), the Food and Agriculture Organization of the United Nations (FAO), and the World Health Organization (WHO), China opposed in principle to the entrance of the United States's and European countries' armies into Myanmar under the excuse of disaster relief. China dealt successfully with the international public opinion on the problems of Myanmar's disaster relief, and this, to some extent, relieved stress from international community before Beijing Olympic Games. Fourth, China set a good example for Myanmar in the Wenchuan earthquake relief work. Chinese leaders were highly regarded for after the occurrence of the Wenchuan earthquake; they immediately went to earthquake-stricken area to command the earthquake relief work. On May 18, 2008, more than half a month after the cyclone, Than Shwe, top leader of Myanmar, went to inspect the disaster-stricken area. The State Council of China announced that the 19th of May to the 21th of May in 2008 would be the national mourning days, and shortly afterwards, Myanmar government announced the 20th of May to the 22th of May in 2008 as the national mourning days. To some extent, a good example set up by China lead the Myanmar government to follow a good way on their disaster relief work and reduce stress of the Myanmar government.

## **To Build Asian Regional Cooperative Disaster Prevention and Mitigation System**

1. The international disaster prevention and disaster relief system was uncertain and it is ironic that it became a stage for competition between powers. Natural disasters have no national borders, and follow no social system, nationality, religion, and ideology. However, after World War II, international cooperation in disaster prevention and mitigation was mostly operated by bilateral aid for a long time. Although international bodies, such as World Health Organization (WHO), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Bank, and the International Monetary Fund (IMF) organised, coordinated, and took part in emergency relief all around the world, the international disaster prevention system have not established an extensively covering system. Not until the middle of the 1990s did the building of cooperative international disaster prevention systems began to be systematic. The United Nations World Conference on Disaster Prevention was held at Yokohama, Japan in 1994. The

Yolohama Strategy, which advocated disaster prevention and post-disaster building of powerful societies, was formed at the conference and symbolised the beginning of systematic building of international disaster prevention and mitigation. On January 18, 2005, shortly after the Indonesia tsunami and at the 10th anniversary of the Osaka-Kobe earthquake, the second United Nations World Conference on Disaster Prevention was held at Kobe, Japan. And about 4000 representatives from 168 countries were present at the conference. The Hyogo Declaration, which included ideas of international disaster prevention, was brought forward at the meeting and the Hyogo Action Declaration, a ten-year plan of international disaster prevention, also was made on the meeting. During the conference, the Japanese government and the UN advocated to establish an International Disaster Prevention Body for offering aid to post-disaster rebuilding in the long term. Together with the WHO KOBE Centre which was established in 1995 after earthquakes in Osaka and Kobe; the International Disaster Prevention Body will act as an international disaster prevention base. By attracting international experts to collect data and carry out scientific research at the disaster-stricken areas, the newly established International Disaster Prevention Body will provide intellectual support to working out measures for long-term effective international disaster prevention and establishment of an international disaster prevention and mitigation system.

Nevertheless, political utilitarianism always shadows the process of building an international disaster prevention and mitigation system. It is easy to know that in the Indonesia tsunami post-disaster relief work, the powers made use of disaster aid to influence the disaster-stricken country, and even evolved the disaster aid into a competition stage upon which the powers competed for permanent membership of the United Nations Security Council. For example, Germany, Australia, and Japan all competed to offer more relief fund and more promises. Moreover, the United States urged to establish a united aid system of the US, Japan, and Australia, and called it a Volunteer Alliance. Its action was inclined to disintegrate the international disaster prevention and mitigation system led by the United Nations and to compete for mastery of the seas. Severe competitions also arose among powers on the establishment of the Indian Ocean tsunami monitor network. International disaster relief works evolved into a new stage for the powers' competitions and expansions. In particularly, the United States was actively involved into international disaster relief activities in order to expand itself and reach its sinister purposes. The international disaster relief system is in urgent need of correct guidance and is crying out for a neutral core of leadership. Therefore, *Nihon Keizai Shimbun* once issued an editorial to call for regaining of international disaster aid system under the leadership of the United Nations.

2. Asia should establish its own regional disaster prevention system because of the many natural disasters which have occurred. First, it is urgently necessary for Asia to establish a regional cooperative disaster prevention system. Asia is one of the most intensive natural disaster-stricken areas in the world for it has broad land mass, various climates, and complex geographic landforms. Especially in the past decades, active crustal movement in this area brought frequent earthquakes, tsunamis, floods, droughts, hale storms, and so on. So was the case of infectious diseases, epidemics, and pestilence. Natural disasters have become a new menace to Asian development and prosperity. Based on international aid for Myanmar tropical cyclone disaster, the ASEAN Emergency Foreign Ministers Meeting plotted out the idea for establishing an open condition-based ASEAN disaster aid system which provided new ideas for establishment of a regional disaster prevention and mitigation system. The Myanmar cyclone disaster and the Wenchuan earthquake made Asian countries see the need to establish a regional disaster prevention and mitigation system. The annual international seminar on “the Future of Asia” was held by *Nihon Keizai Shimbun* at Tokyo from May 21, 2008 to May 23, 2008. And one of the important themes of the conference was the establishment of an Asian disaster relief system. At the meeting’s dinner on May 22, Yasuo Fukuda, the former prime minister of Japan, advocated to establish an “Asian disaster and epidemic prevention network” and appealed for a united emergency rescue organisation of all Asian countries, to cope with extensive disasters and emergent diseases, such as earthquakes, tsunami, and bird flu. He also called for strengthening coordination on natural disaster rescue and management of massive disease prevention. Suwit Khunkitti, the former deputy prime minister of Thailand, said that Asia is a stabiliser of global economic development, and in order to find out a global solution to disaster relief, Asian countries need to strengthen cooperation. He also said that Asia should learn a lesson from the Myanmar cyclone and the Wenchuan earthquake. It should learn to establish an Asian disaster relief network and disaster rescue system, and in this way to share resources of disaster relief.<sup>14</sup>

Second, it is possible to build an Asian disaster prevention and mitigation system based on mutual aid and cooperation. In Asia, Japan is a developed country which has frequently been struck by earthquakes, tsunami, typhoon, volcanic eruptions, etc. Japan has accumulated rich experience in years of disaster prevention and mitigation, and Japan’s experience is part of the Asian wealth of knowledge for disaster prevention and mitigation. After the Wenchuan earthquake,

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<sup>14</sup> Jia Lizheng, “Asian role: pursuit for global development—overview of the 14th international seminar on ‘the future of Asia’”, *The People’s Daily*, May 29, 2008.

the new monitoring centre of the Office of the Japanese Earthquake conveyed in a timely manner monitoring information to confirm the accuracy of monitoring data gained by China. At the same time, the Japanese government quickly sent a professional rescue team and a medical aid team to Wenchuan. Asian nations all provided humanitarian assistance after the Wenchuan earthquake.

China has played a positive role in the establishment of an international and Asian disaster prevention and mitigation system. The third UN World Conference on Disaster Prevention was held at Harbin, northeast China, in August 2007. The meeting was held by UNESCO and Chinese government bodies, such as the Ministry of Water Resources. An international disaster rescue technique achievements and equipments exhibition was held during the meeting, and this exhibition was a place for interaction on strengthening cooperation for the sake of international disaster prevention and mitigation. The meeting further implemented the idea of international cooperation of disaster prevention, carried out the disaster prevention strategy formulated by the Kobe Conference in 2005, and promoted the construction of international cooperative disaster prevention system. During the Indonesia tsunami aid summit conference in 2005, Premier Wen Jiabao suggested to Japan to strengthen Sino-Japan cooperation of regional disaster prevention and mitigation. And Junichiro Koizumi, the former prime minister of Japan, agreed with Wen's suggestion. At present, strategic reciprocity is the theme of Sino-Japan relationship. Based on regional economic and environmental cooperation, it is reasonable to build a regional disaster prediction system, a regional disaster emergency rescue system, and a regional post-disaster rebuilding cooperation system.

Asia has gone through so many natural disasters, so it has accumulated rich experience of disaster relief and cultivated cooperative spirit as well. The awareness of Asian countries to build mutual cooperative disaster prevention and mitigation is increasing and has been put into practice now. It is to be hoped that Asia will establish an effective collective disaster relief system to set a good example for the establishment of a global disaster relief system.



# Myanmar's Nuclear Programme: Accusations and Ambiguity

*Andrew Selth<sup>1</sup>*

Of all the countries in Southeast Asia, Myanmar is perhaps the most enigmatic. Reliable information is scarce, particularly when it relates to national security—a subject with a very broad definition in Myanmar. More than any other regional government, Myanmar's military regime (known since 1997 as the State Peace and Development Council, or SPDC) is the most opaque, and its policies are often the hardest to understand. The consequent information gaps are filled with rumours and speculation. Clouding the picture even further, Myanmar is at the centre of an emotive and highly politicised debate over the most effective way to deal with the repressive and secretive military government, ensconced since 2005, in Naypyidaw, the country's isolated new capital.

Largely as a result of these problems, Myanmar's current nuclear status is unclear. Publicly, the regime cites Myanmar's long record of opposition to nuclear weapons proliferation, and points to its peaceful nuclear research programmes. However, since 2000, when the SPDC first announced its plan to purchase a small Russian reactor, this position has been under constant challenge. Activist groups and others (including some high profile figures in Washington) have repeatedly warned that Myanmar is not to be trusted. They have accused the regime of secretly trying to develop a nuclear weapon, with help from other so-called "outposts of tyranny".<sup>2</sup> Over the past few years a number of "defectors" from Myanmar have cast further doubt on Naypyidaw's nuclear credentials.

To date, no firm evidence of a secret nuclear weapons programme has been produced. Nor has any government or international organisation confirmed any of the claims put forward by journalists or activists. Yet suspicions remain. For Myanmar's close relationship with North Korea could give it access to sensitive nuclear technologies.<sup>3</sup> Also, of all the Southeast Asian countries, Myanmar

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<sup>1</sup> Dr Andrew Selth, Research Fellow in the Griffith Asia Institute, Griffith University, Australia.

<sup>2</sup> In 2005, then US secretary of state Condoleezza Rice described Cuba, Iran, North Korea, Zimbabwe, Belarus, and Myanmar as "outposts of tyranny", to which the US must help bring freedom. "Rice names 'outposts of tyranny'", *BBC News*, 19 January 2005.

<sup>3</sup> See, for example, Andrew Selth, *Burma and North Korea: Conventional Allies or Nuclear Partners?* Regional Outlook No.22 (Griffith Asia Institute, Griffith University, Brisbane, 2009).

arguably has the greatest strategic motivation to develop weapons of mass destruction (WMD).<sup>4</sup>

## Non-Proliferation Policies

Ever since Myanmar regained its independence from the United Kingdom (UK) in 1948, successive governments in Rangoon and Naypyidaw have supported the full range of international nuclear disarmament initiatives. For decades, the country's diplomats have routinely described the total elimination of such weapons as "the only effective defence against nuclear catastrophe", and the best way to guarantee the survival of small states like Myanmar in a potentially hostile, nuclear-armed world.<sup>5</sup> In 2008, Myanmar called for a diminution in "the role of nuclear weapons in strategic doctrines and security policies, to minimise the risk that these weapons will ever be used and to facilitate the process of their total elimination".<sup>6</sup>

Myanmar was one of the first countries to become a state party to the 1963 Partial Test Ban Treaty. It has also signed and ratified the 1967 Outer Space Treaty, and signed the 1972 Seabed Treaty.<sup>7</sup> In 1992, Myanmar became a state party to the 1968 Nuclear Non-Proliferation Treaty (NPT) and in 1995, it signed the Bangkok Treaty, which created a Southeast Asia Nuclear Weapon-Free Zone. In 1996, Myanmar signed the Comprehensive Nuclear Test Ban Treaty, which the foreign minister at the time described as "an essential step towards nuclear disarmament".<sup>8</sup> Myanmar has also been an active member of the Conference on Disarmament.

Myanmar has been a member of the International Atomic Energy Agency (IAEA) since it was created in 1957. In 1994, the SPDC's predecessor, the

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<sup>4</sup> M.S. Malley, "Prospects for Nuclear Proliferation in Southeast Asia, 2006–2016", *Non-proliferation Review*, Vol.13, No.3, November 2006, pp.605-615.

<sup>5</sup> 'Statement by Ambassador U Wunna Maung Lwin, Permanent Representative of the Union of Myanmar to the Conference on Disarmament, Geneva, 11 February 2008', found at [http://www.myanmargeneva.org/pressrelease\\_PMGeV/CD%202008%2011%20March%2008%20Statement.htm](http://www.myanmargeneva.org/pressrelease_PMGeV/CD%202008%2011%20March%2008%20Statement.htm)

<sup>6</sup> Ibid.

<sup>7</sup> Myanmar's attorney general has ruled that, for international instruments signed by the Revolutionary Council between 1962 and 1974 and by the new military administration after 1988, ratification should be considered automatic. This is on the premise that, at the time, there were no higher organs of government in Myanmar to review the decisions to sign. Interview, Canberra, February 2007.

<sup>8</sup> 'Statement by HE U Ohn Gyaw, minister for foreign affairs and chairman of the Delegation of Myanmar in the General Debate of the Fifty-First Session of the United Nations General Assembly, New York, 27 September 1996', Embassy of the Union of Myanmar, Canberra, *Newsletter*, No.12/96, 18 October 1996.



State Law and Order Restoration Council (SLORC), signed a Regional Cooperative Agreement with the IAEA. In 1995, the SLORC entered into a comprehensive safeguards agreement with the IAEA, with a Small Quantity Protocol (SQP) which suspended most of the Agency's verification activities—on the grounds that Myanmar had declared no nuclear material or planned nuclear facilities.

Despite the regime's announcement in 2000 that it planned to build a research reactor, it has not yet relinquished the SQP. Nor has it accepted the modified version of the protocol that the IAEA now asks of all SQP states. In addition, Myanmar has yet to sign a safeguard Additional Protocol, giving the IAEA the right to inspect any site which it suspected was being used for undeclared nuclear activity. Even so, these recent lapses aside, Myanmar has consistently pursued a strong nuclear disarmament agenda in world forums and appears to have abided by its obligations under all the relevant international instruments.

## Nuclear Research Programme

Before 2000, the Myanmar government had shown only low-level interest in nuclear research. In 1956, a small atomic energy division was established in the Union of Burma Applied Research Institute. In 1974, the IAEA began to offer the country technical assistance in nuclear medicine and related fields. From 1996, Myanmar began to demonstrate an interest in having its own isotope production capability.<sup>9</sup> By 2009, Myanmar had benefited from thirty-six IAEA Technical Cooperation projects, of which sixteen remain active.<sup>10</sup>

Despite these activities, Myanmar was not in a position to contemplate the construction of a nuclear reactor. It lacked the funds and the technological expertise. More to the point, there was no need to build such a facility nor, it seems, any great motivation to do so. This situation changed in 1997, however, when a Department of Atomic Energy was created in the newly formed Ministry of Science and Technology. In 2000, the minister for science and technology, U Thaung, visited Russia where he expressed interest in the construction of a nuclear research centre in Myanmar.<sup>11</sup> Around the same time, there were

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<sup>9</sup> "Department of Atomic Energy", Ministry of Science and Technology, 13 June 2007, found at [http://www.most.gov.mm/index2.php?option=com\\_content&do\\_pdf=1&id=85](http://www.most.gov.mm/index2.php?option=com_content&do_pdf=1&id=85)

<sup>10</sup> "Myanmar", in International Institute for Strategic Studies, *Preventing Nuclear Dangers in Southeast Asia and Australasia* (International Institute for Strategic Studies, London, 2009), pp.101–118.

<sup>11</sup> Veronika Voskoboinikova, "Myanmar shows interest in Russian research reactor", *Tass*, 22 December 2000.

unconfirmed reports that the SPDC had approached potential vendors in China, India and possibly Pakistan, but without result.<sup>12</sup>

In September 2001, the SPDC sought the IAEA's help in acquiring a nuclear research reactor.<sup>13</sup> According to trade journals, the agency initially decided to ignore this request on the grounds that "it has no confidence that Myanmar either needs a reactor or has the infrastructure and funding required to support such a project".<sup>14</sup> The agency also had doubts about Myanmar's low economic status, its poor technological base, and the virtual collapse of the higher education system since the armed forces took back direct political power in 1988. An IAEA inspection team was sent to Myanmar in November 2001, but the team's assessment simply confirmed the agency's original views.

Even so, in May 2002, it was announced that Russia's Atomic Energy Ministry (Minatom) had agreed to cooperate with Myanmar's Ministry of Science and Technology in creating a research centre in Myanmar that would include a nuclear reactor and associated laboratories.<sup>15</sup> According to the Russian statement, Minatom had agreed to design the centre, provide advice on its location, deliver the nuclear fuel, and supply all essential equipment and materials. Russian experts would assemble, install, and help to operate the centre's "main technical equipment". The bilateral agreement included structures for the disposal of nuclear waste and a waste-burial site.

A ground-breaking ceremony for the nuclear facility was reportedly scheduled to take place near Magwe, in central Myanmar, in January 2003.<sup>16</sup> The reactor and associated equipment were due to be delivered later that year. At the time, the regime announced that the facility would be built "within a few years".<sup>17</sup> In 2003, however, the deal with Russia was suspended, apparently due to Myanmar's financial problems. Negotiations were eventually renewed and, in May 2007, a Memorandum of Understanding was signed, reviving the project. The official press release stated:

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<sup>12</sup> Andrew Selth, *Burma and Nuclear Proliferation: Policies and Perceptions*, Regional Outlook no. 12 (Griffith Asia Institute, Griffith University, Brisbane, 2007), p.6 and p.9.

<sup>13</sup> "Launch of research reactor project", *Nuclear Engineering International*, February 2002, p. 6. See also "Regular Press Conference Held", *New Light of Myanmar*, 22 January 2002.

<sup>14</sup> "IAEA Will Ignore Burmese Request for Research Reactor Assistance", *Nucleonics Week*, 25 October 2001, p. 14.

<sup>15</sup> 'Myanmar Reactor', *Moscow Times*, 17 May 2002.

<sup>16</sup> Bertil Lintner, 'Myanmar Gets a Russian Nuclear Reactor', *Wall Street Journal*, 3 January 2002; and Richard Stone, 'Planned Reactor Ruffles Global Feathers', *Science*, Vol. 295, No. 5556, 1 February 2002, p. 782.

<sup>17</sup> A.C. LoBaido, 'Nuclear politics in Burma', *WorldNet Daily*, 8 February 2002, found at [http://worldnetdaily.com/news/article.asp?ARTICLE\\_ID=26375](http://worldnetdaily.com/news/article.asp?ARTICLE_ID=26375)

The [nuclear studies] centre will comprise a 10MW light water reactor working on 20%-enriched uranium, an activation analysis laboratory, and a medical isotope production laboratory, silicon doping system, nuclear waste treatment and burial facilities.<sup>18</sup>

It was also announced that Russian universities would train 300–350 Myanmar specialists to help build and operate the reactor, which would be “controlled by IAEA”.<sup>19</sup>

Myanmar's deputy foreign minister, Khin Maung Win, said in 2002 that Myanmar wanted to “acquire modern technology”, train and produce nuclear experts, and manufacture radioisotopes.<sup>20</sup> Other official statements have stressed that the reactor was to be used for “peaceful medical purposes”.<sup>21</sup> The deputy foreign minister was also reported as saying that Myanmar hoped to study “the prospects of producing electricity from nuclear energy”. All these actions would be taken “openly, in accordance with international conventions”.<sup>22</sup>

Yet the construction of such an expensive, highly specialised and technically advanced facility seemed an odd thing to do. Myanmar was still on the United Nations's (UN) list of least developed countries and was struggling to maintain its existing civil infrastructure. Its level of technological development was low. Radioisotopes could be produced far more economically and reliably elsewhere. Myanmar suffered from electricity shortages, but it had abundant natural gas reserves and was constructing several hydroelectric power stations. The main impetus behind the project seemed to be a desire for national status and prestige, driven by U Thaug, who believed that nuclear research was necessary for “a modern nation”.<sup>23</sup>

According to the latest news reports, the Russian reactor is now going to be built at Myaing, north of Pakkoku.<sup>24</sup> By the beginning of September 2009,

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<sup>18</sup> ‘Russia and Myanmar sign inter-governmental cooperation agreement’, Press Service of the Federal Agency for Nuclear Energy, 15 May 2007. See also ‘Russia to build nuclear centre for Myanmar with 20% U-235’, *RIA Novosti*, 15 May 2007.

<sup>19</sup> ‘Russia and Myanmar sign inter-governmental cooperation agreement’.

<sup>20</sup> TV Myanmar, Rangoon, 21 January 2002, reported as ‘Burma gives reasons for planned nuclear research reactor project’, *BBC Monitoring Service*, 23 January 2002.

<sup>21</sup> Larry Jagan, ‘Yangon's Nuclear Ambitions Alarm Asia and Europe’, *The Straits Times*, 18 January 2002.

<sup>22</sup> ‘Burma gives reasons for planned nuclear research reactor project’. See also Larry Jagan, ‘Burma announces nuclear plans’, *BBC News*, 11 January 2002.

<sup>23</sup> Bertil Lintner, ‘Burma joins the nuclear club’, *Far Eastern Economic Review*, 27 December 2001–3 January 2002, p. 26.

<sup>24</sup> Bertil Lintner, ‘Burma's Nuclear Temptation’, *Yale Global Online*, 3 December 2008, found at <http://yaleglobal.yale.edu/display.article?id=11673>

however, negotiations had not been finalised and construction work had still not begun. The repeated delays and Myanmar's many political, economic, and social problems continue to raise doubts about the project's viability. In 2007, for example, Singapore's foreign minister stated that Myanmar was "unlikely" to develop a nuclear programme, given its many other challenges.<sup>25</sup> To most countries, such an outcome would not be unwelcome.

## Safety and Security Concerns

As soon as Myanmar announced that it planned to build a nuclear reactor, there was a strong international response, almost all of it negative.

Given Myanmar's poor safety record, there were fears that it would be unable to cope with such a demanding technical facility.<sup>26</sup> The IAEA team that visited Myanmar in 2001 to assess the country's readiness to use and maintain a nuclear reactor was highly critical of the country's general safety standards, which were "well below the minimum the body would regard as acceptable", even for conventional power plants.<sup>27</sup> Also, remembering the 1986 Chernobyl disaster, Thailand was worried about Russia's involvement in the project. Another safety issue raised was Myanmar's record of earthquakes, particularly in central Myanmar where the reactor was due to be built.

There were also security concerns. With the terrorist threat in mind, the United States (US) State Department sought assurances from the SPDC that it would be able to secure all sensitive nuclear materials.<sup>28</sup> While most of Myanmar's major insurgent groups had negotiated ceasefire agreements with the regime by that time, some still posed a military threat. Even if it was closely guarded, a nuclear facility could be an attractive target. Also, despite the controls imposed on Myanmar's population after the abortive 1988 pro-democracy uprising, there was the possibility of further civil unrest. A nuclear reactor would represent a potent symbol of the regime's penchant for costly high status projects, pursued at the expense of essential services like health and education.

Following the announcement of the nuclear deal with Russia, a number of activist groups and popular pundits also expressed fears that Myanmar would

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<sup>25</sup> "Burma nuclear program unlikely: Singapore", *Democratic Voice of Burma*, 24 June 2007, found at <http://english.dvb.no/news.php?id=192>

<sup>26</sup> Interview, Bangkok, October 2001. See also Jagan, "Yangon's Nuclear Ambitions Alarm Asia and Europe".

<sup>27</sup> "Burma's Nuclear Plans Worry IAEA", *Far Eastern Economic Review*, 21 February 2002, p. 11.

<sup>28</sup> "Burma: Russian Nuclear Reactor", US Department of State, Office of the Spokesman, 23 January 2002, found at <http://www.fas.org/news/russia/2002/012302was.htm>

become a “rogue state”, and try to develop a nuclear weapon.<sup>29</sup> They cited the regime's long record of duplicity and its customary disregard for international norms of behaviour. They dismissed assurances that the reactor was only for peaceful research and would be placed under IAEA safeguards. Even if a nuclear weapons option was not available, they argued, a nuclear reactor would at least give the military government the capability to develop a “dirty bomb”, which could spread radioactive material through a conventional explosion.

These accusations were greeted with scepticism.<sup>30</sup> A nuclear weapons programme seemed quite out of character, given Myanmar's consistent support for global disarmament initiatives. The SPDC could expect substantially increased revenues from natural gas sales, but there would still be enormous practical difficulties to overcome, and serious political risks to manage.<sup>31</sup> Also, the claims made on activist websites and in the news media were largely based on speculation and unsubstantiated rumours. Some seemed designed to win support for the anti-regime cause from the Bush administration, which had invaded Iraq in 2003 on the grounds that it was developing WMD.

## A North Korean Role?

Despite the latest development, the possibility of Myanmar acquiring a nuclear weapons capability started to attract attention. This was mainly due to the fact that, after the Russian project was suspended in 2003, news reports began to appear suggesting that the SPDC had turned to North Korea to help build its nuclear facilities. The small research reactor Naypyidaw planned to buy from Moscow was said to be unsuited for the manufacture of fissile material, but Pyongyang had the expertise to provide the regime with other options. It was also a notorious proliferator of nuclear and ballistic missile technologies.

Fears of North Korean involvement were strengthened by evidence that, after a lengthy hiatus, Pyongyang was developing closer links with Naypyidaw. Diplomatic relations were severed in 1983 after three North Korean agents attempted to assassinate South Korean president Chun Doo Hwan during a state visit to Myanmar. In the years that followed, Myanmar rejected several attempts by North Korea to restore political and economic ties. However, the wide-ranging

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<sup>29</sup> See, for example, Kanbawza Win, “The Burmese Regime Has Nuclear Weapons”, *Kao Wao News Group*, 3 October 2004, found at <http://www.kaowao.org/The%20Burmese%20regime%20has%20nuclear%20weapons.php>

<sup>30</sup> See, for example, Maxmilian Wechsler, ‘Nuclear Claims Deserve Scepticism’, *Bangkok Post*, 23 April 2006.

<sup>31</sup> S.R. Turnell, “Burma's Insatiable State”, *Asian Survey*, Vol.48, No.6, November-December 2008, pp. 958–976.

sanctions imposed on Myanmar by the US and its allies after 1988 forced the military regime to look elsewhere for arms and technical assistance, including from North Korea.<sup>32</sup>

Formal relations between Myanmar and North Korea were restored in 2007. Even before then, however, Naypyidaw had negotiated a number of deals with Pyongyang. The visits by North Korean freighters to Myanmar, and the secrecy surrounding their cargoes, suggest that various arms and military equipment have been delivered. In addition, North Korean technicians have been seen at defence facilities around Myanmar. Some appear to be assisting with the delivery or manufacture of new conventional weapon systems, while others are probably helping to construct underground military facilities.<sup>33</sup>

Interest in all these activities grew after November 2003, when it was reported in the *Far Eastern Economic Review* (FEER) that North Korean technicians had been seen unloading heavy machinery from trains at Myothit, “the closest station to the central Myanmar town of Natmawk, near where the junta hopes to build a nuclear research reactor”<sup>34</sup> Also, aircraft from Air Koryo, North Korea’s national airline, had been seen landing at Mandalay and airfields in central Myanmar. The clear implication of the FEER story was that Pyongyang was providing equipment and materials for a nuclear reactor.

## Rumours and Speculation

This report triggered a fresh round of claims about the SPDC’s nuclear ambitions, ranging from the plausible to the highly imaginative.

In 2003, for example, the opposition Democratic Voice of Burma (DVB), based in Oslo, stated that eighty Myanmar military officers were in North Korea studying “nuclear and atomic energy technology”. Another activist website later claimed that North Korea was training twenty-five nuclear physicists from Myanmar.<sup>35</sup> In 2004, an Indian commentator claimed that North Korea had

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<sup>32</sup> Andrew Selth, *Burma’s North Korean Gambit: A Challenge to Regional Security?* Canberra Paper No. 154 (Strategic and Defence Studies Centre, Australian National University, Canberra, 2004).

<sup>33</sup> Bertil Lintner, “Myanmar and North Korea share a tunnel vision”, *Asia Times Online*, 19 July 2006, found at [http://www.atimes.com/atimes/Southeast\\_Asia/HG19Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/HG19Ae01.html)

<sup>34</sup> Bertil Lintner and S.W. Crispin, “Dangerous Bedfellows”, *Far Eastern Economic Review*, 20 November 2003, p. 22; also found at [http://www.asiapacificms.com/articles/pyongyang\\_rangoon/](http://www.asiapacificms.com/articles/pyongyang_rangoon/). Natmawk is about fifty kilometres northeast of the town of Magwe, and about fifteen kilometres north of Myothit.

<sup>35</sup> ‘Junta officers secretly depart for Pyongyang to study advanced technology’, *Democratic Voice of Burma*, 25 November 2003. See also Roland Watson, “Analysis of Burma’s Nuclear Program”, *Dictator Watch*, January 2007, found at <http://www.dictatorwatch.org/articles/burmanuclear2.html>

signed a formal agreement that year to build a nuclear reactor in Myanmar. The implication, once again, was that Myanmar had turned to North Korea for help after the breakdown in negotiations with Russia.<sup>36</sup>

Around the same time, a number of stories appeared on activist websites alleging that Myanmar was exporting uranium and heroin to North Korea as part of a barter deal, in return for ballistic missiles and sensitive nuclear weapons technology. Other reports claimed that uranium from Myanmar was being exported to Iran and Pakistan. Before shipment, the ore was said to be processed into yellowcake at secret facilities north of Mandalay and near Kyaukse, in central Myanmar.<sup>37</sup>

Several stories appeared about suspicious activity in central Myanmar. One expatriate news service claimed that the regime had decided to move the site of the Russian reactor from the Magwe area to a more remote and better protected location east of Mandalay.<sup>38</sup> Another unconfirmed DVB report was that the Myanmar Army's "Nuclear Battalion" was testing high explosive nuclear triggers at a research complex near Pyin Oo Lwin (formerly Maymyo), as part of a secret WMD programme.<sup>39</sup> A few commentators even suggested that North Korea had already provided Myanmar with nuclear weapons, either for its own use, or in order to hide them from international monitoring agencies.<sup>40</sup>

There have also been reports that Myanmar has imported items of dual-use equipment from Europe and Japan, which could be used in a nuclear weapons programme.<sup>41</sup> This was in addition to any assistance that might have been provided to Naypyidaw by the Daesong Economic Group, which had a record of conducting clandestine activities on behalf of Pyongyang, possibly including the

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<sup>36</sup> Arun Bhattacharjee, "India frets over Yangon-Pyongyang deal", *Asia Times Online*, 4 June 2004, found at [http://www.atimes.com/atimes/South\\_Asia/FF04Df03.html](http://www.atimes.com/atimes/South_Asia/FF04Df03.html)

<sup>37</sup> Roland Watson, "Nuclear Proliferation and Burma: The Hidden Connection", *Dictator Watch*, November 2006, found at <http://www.dictatorwatch.org/articles/burmanuclear.html>. See also Roland Watson, "Images of Suspected Uranium Mine and Refinery in Burma", *Dictator Watch*, March 2007, found at <http://www.dictatorwatch.org/phshows/burmafacility.html>; and "Uranium Search in Burma Intensifies", *The Irrawaddy*, October 2006, found at [http://www.irrawaddy.org/print\\_article.php?art\\_id=6438](http://www.irrawaddy.org/print_article.php?art_id=6438)

<sup>38</sup> "Nuke plant: From the plains to the hills", *Shan Herald Agency for News*, 31 August 2005, found at <http://www.shanland.org/war/2005/Nuke-plant/>

<sup>39</sup> *Democratic Voice of Burma*, 18 September 2006, reported as "Arms tests reportedly intensifying in Burma's Mandalay", *BBC Monitoring Service*, 19 September 2006.

<sup>40</sup> See, for example, Watson, "Nuclear Proliferation and Burma"; and Bhattacharjee, "India frets over Yangon-Pyongyang deal".

<sup>41</sup> "Tokyo trader charged with selling sensitive machine to Myanmar", *Zee News*, 24 July 2009, found at <http://www.zeenews.com/news549910.html>. See also Glenn Kessler, "US Concerns Growing about N. Korean Military Ties with Burma", *Washington Post*, 22 July 2009, found at <http://www.washingtonpost.com/wp-dyn/content/article/2009/07/21/AR2009072101021.html>.

provision of nuclear-related technologies.<sup>42</sup> North Korea's Namchongang Trading Company, which probably assisted Syria with its nuclear reactor project, was reported to have sold sophisticated equipment to Burma.<sup>43</sup>

There was also considerable speculation about a programme under which thousands of Myanmar officials (mainly from the armed forces) were being sent to Russia for training. Technical instruction was always part of the deal negotiated with Moscow, but not everyone who went there attended nuclear-related courses. In 2005, the Russian Foreign Ministry stated that the Myanmar students were "studying in Russia on a commercial basis and are in no way related to agreements in the nuclear sphere".<sup>44</sup> The UK government subsequently confirmed that a variety of courses was being provided to Myanmar trainees in Russia, but added that "some" were studying nuclear technology.<sup>45</sup>

## The Official View

As Naypyidaw's relationship with Pyongyang developed, it prompted growing unease, including in Washington. The then chairman of the US Senate Foreign Relations Committee, Richard G. Lugar, for example, called Myanmar a potential "source of instability throughout South and Southeast Asia". Noting the contacts between Myanmar and North Korea, he stated "the link-up of these two pariah states can only spell trouble".<sup>46</sup> In 2004, one of Senator Lugar's aides suggested that North Korea could be providing nuclear and missile technology to Myanmar, a possibility acknowledged by the State Department.<sup>47</sup>

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<sup>42</sup> Lintner and Crispin, "Dangerous Bedfellows". See also Frank Downs, "Myanmar and North Korea: Birds of a feather?", *Asia-Pacific Defence Reporter*, Vol. 29, No.7, October 2003, pp. 36–40.

<sup>43</sup> Jay Solomon and Yochi J. Dreazen, "US Keeps Close Eye on North Korean Ship", *Wall Street Journal*, 24 June 2009, found at <http://online.wsj.com/article/SB124571192210838865.html>. See also Kessler, "US Concerns Growing About N. Korean Ties with Burma"; and Robin Wright and Joby Warrick, "Purchases Linked N. Korean to Syria", *Washington Post*, 11 May 2008, found at <http://www.washingtonpost.com/wp-dyn/content/article/2008/05/10/AR2008051002810.html>

<sup>44</sup> "Myanmar Research Reactor Talks Halted", *Nuclear Threat Initiative* (NTI), 4 November 2005, found at <http://www.nti.org/db/nisprofs/russia/exports/general/nuexdev.htm>

<sup>45</sup> The United Kingdom Parliament, "Burma", Answer from Dr Howells to Mr Clifton-Brown, *Hansard*, 10 July 2006.

<sup>46</sup> Richard G. Lugar, "Seeds of Trouble from Burma", *Washington Post*, 28 September 2003.

<sup>47</sup> "Top Senate Aide Raises Alarm over Burma, North Korea Links", *Voice of America*, 10 February 2004, found at <http://www.voanews.com/burmese/archive/2004-02/a-2004-02-10-6-1.cfm>. See also Paul Kerr, "US accuses Burma of seeking nuclear technology", *Arms Control Today*, May 2004, found at [http://www.armscontrol.org/act/2004\\_05/Burma](http://www.armscontrol.org/act/2004_05/Burma); and Alvin Powell, "US pushes for regime change in Burma", *Harvard Gazette*, 23 February 2006, found at <http://www.news.harvard.edu/gazette/2006/02.23/09-burma.html>



Throughout this entire period, however, the international community's formal position on Myanmar's nuclear status did not change. Indeed, given all the claims and counter-claims made about nuclear developments in Myanmar since 2000, there was a surprising lack of official comment, including by the US government.

During its eight years in office, the Bush administration was quick to issue warnings about secret Iraqi, North Korean, Iranian, and Syrian WMD programmes. Yet, as far as Myanmar was concerned, the US was conspicuously silent. In 2005, for example, the US's permanent representative at the UN told journalists that the SPDC was "seeking nuclear power capabilities" but he never clarified this remark, which he said was "according to press reports".<sup>48</sup> In 2006, during its efforts to have Myanmar cited by the UN Security Council (UNSC) as "a threat to international peace and security", the US was highly critical of the military government but made no reference to a nuclear weapons programme.

It is also noteworthy that no US government department or intelligence agency has publicly confirmed—or denied—the existence of a Myanmar nuclear weapons programme, for example in their periodic appearances before congressional committees. In 2007, the US State Department reminded Myanmar of its obligations under the NPT, but only referred to the proposed Russian reactor.<sup>49</sup>

This is not to say that there were no suspicions of a possible interest in nuclear weapons. Once the two countries began to renew contacts, US agencies monitored Myanmar's relationship with North Korea.<sup>50</sup> It was known that some in Naypyidaw envied North Korea's apparent ability to use WMD to resist international pressures and win concessions from the international community.<sup>51</sup> In 2007, two former Bush administration officials wrote that "Western intelligence officials have suspected for several years that the regime has had an interest in following the model of North Korea and achieving military autarky by developing ballistic missiles and nuclear weapons".<sup>52</sup>

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<sup>48</sup> "US accuses Burma of nuclear goal", *Sydney Morning Herald*, 30 November 2005; and Judy Aita, "United States Seeks Security Council Briefing on Burma", US State Department, 30 November 2005, found at <http://www.america.gov/st/washfile-english/2005/November/20051130165539AJatiA0.3528101.html>

<sup>49</sup> "US criticises Burma nuclear plan", *BBC News*, 17 May 2007, found at <http://news.bbc.co.uk/2/hi/asia-pacific/6664421.stm>

<sup>50</sup> See, for example, "US Will Persevere on Democracy in Burma, State's Daley Says", Testimony to House International Relations subcommittees, *America.gov*, 25 March 2004, found at <http://www.america.gov/st/washfile-english/2004/March/20040325181911ASesuarK0.3054773.html>

<sup>51</sup> Interview with a senior Rangoon-based diplomat, Singapore, July 2006.

<sup>52</sup> Michael Green and Derek Mitchell, "Asia's Forgotten Crisis", *Foreign Affairs*, November/December 2007, pp. 147–158.

Since January 2009, the Obama administration has also been very cautious in its comments on this subject. It has strongly condemned nuclear weapons proliferation by states like North Korea and Iran, but Myanmar has never been mentioned in this regard.<sup>53</sup>

In July, the secretary of state said that the US took seriously the growing concerns about military cooperation between Pyongyang and Naypyidaw. She told an audience in Thailand that such cooperation “would be destabilising for the region” and “pose a direct threat to Burma’s neighbours”.<sup>54</sup> At the same time, she revealed that the US’s concerns included “the transfer of nuclear technology and other dangerous weapons” (sic) from North Korea to Myanmar.<sup>55</sup> However, Hillary Clinton did not specifically mention nuclear weapons technology and US spokesmen subsequently refused to answer queries from the news media about a possible secret WMD programme in Myanmar.

For its part, the UK government stated in 2006 that it was “not able to corroborate” any reports about the alleged transfer of nuclear technology from North Korea to Myanmar.<sup>56</sup> The UK has said that it has “no specific information” on press reports that Pyongyang was providing nuclear training to Myanmar officials.<sup>57</sup> Also in 2006, the UK put on the record its view that no uranium was being processed in Myanmar, and that Myanmar did not have any operational enrichment facilities. Nor was the UK aware of any uranium exports from Myanmar.<sup>58</sup> The US government had already dismissed suggestions of heroin being used in barter deals for North Korean nuclear technology.<sup>59</sup>

Nor have concerns been raised elsewhere. The IAEA has not mentioned Myanmar in any of its reports on nuclear proliferation risks. Neither the Association of Southeast Asian Nations (ASEAN) nor the Commissioners of the Southeast Asian Nuclear-Weapon Free Zone have made any public response

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<sup>53</sup> Statement of US Permanent Representative-Designate Susan E. Rice Before the Senate Foreign Relations Committee, Washington DC, 15 January 2009, found at [http://thecable.foreignpolicy.com/Susan\\_Rice](http://thecable.foreignpolicy.com/Susan_Rice); and Lalit K. Jha, “Clinton Makes No Remarks on Burma”, *The Irrawaddy*, 14 January 2009, found at [http://www.irrawaddy.org/article.php?art\\_id=14919](http://www.irrawaddy.org/article.php?art_id=14919)

<sup>54</sup> Kessler, “US Concerns Growing About N. Korean Military Ties with Burma”.

<sup>55</sup> “Secretary Clinton Interviewed in Thailand”, *Secretary Clinton Blog*, 23 July, 2009, found at <http://secretaryclinton.wordpress.com/2009/07/23/secretary-clinton-interviewed-in-thailand/>

<sup>56</sup> The United Kingdom Parliament, “Burma”, Answer from M.s Margaret Beckett to Mr. Hague, *Hansard*, 5 June 2006.

<sup>57</sup> Interview, Washington, March 2004; and The United Kingdom Parliament, “Burma”, Answer from Dr. Howells to Mr Clifton-Brown, *Hansard*, 10 July 2005.

<sup>58</sup> The United Kingdom Parliament, “Burma”, Answer from Dr. Howells to Miss McIntosh, *Hansard*, 18 July 2005. See also The United Kingdom Parliament, “Burma”, Answer from Dr. Howells to Mr. Clifton-Brown, *Hansard*, 5 July 2006.

<sup>59</sup> “Developments in Burma”, Testimony of Matthew P. Daley, 25 March 2004.

to the repeated claims of a secret nuclear weapons programme in Myanmar. In August 2009, senior Thai officials denied any knowledge of such a programme.<sup>60</sup>

## Defectors' Claims

Governments around the world have clearly been reluctant to comment on this issue, but since 2008, some appear to have given it a higher priority. There have been several reports of foreigners visiting Thailand to conduct investigations. Thai security agencies too have been active. This suggests an increased level of official interest, if not concern. While details are scanty, this heightened level of activity seems to have been prompted by the appearance in Thailand, in 2007 and 2008, of four Myanmar nationals who claimed to have direct knowledge, or even first-hand experience, of a nuclear weapons programme.<sup>61</sup>

The "evidence" provided by these defectors has not always been clear, or consistent. As described by two Australian researchers, the defectors' claimed that in 2002, Myanmar's military leaders launched a secret project to build a second, much larger nuclear reactor at Naung Laing, east of Pyin Oo Lwin.<sup>62</sup> Although progress on the Russian project has been very slow, construction of the military reactor was reportedly well advanced. It was hidden underground and, in the opinion of one defector, was similar in design to the Syrian facility bombed by Israel in 2007. According to at least one of the defectors, the SPDC's aim was to develop an indigenous nuclear weapon by 2020.<sup>63</sup>

The expertise for this secret military project was reportedly being provided not only by North Korea; Iran and possibly Pakistan were said to be involved. Some defectors claimed to have seen Russian experts at sites related to the project.

In their discussions with officials and others, defectors have also stated that a major effort has been made, with the help of foreign experts, to discover and exploit new uranium deposits, in addition to the five low-grade sites publicly

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<sup>60</sup> Wassana Nanuam and Arucha Charoenpo, "Army denies Burma ambitions", *Bangkok Post*, 5 August 2009, found at <http://www.bangkokpost.com/news/local/21465/army-denies-burma-ambitions>

<sup>61</sup> This section draws on interviews with the defectors, from notes provided by Professor Desmond Ball of the Australian National University's Strategic and Defence Studies Centre, Canberra, February 2009. See also Lintner, "Burma's Nuclear Temptation".

<sup>62</sup> Hamish McDonald, "Revealed: Burma's Nuclear Bombshell", *Sydney Morning Herald*, 1 August 2009, found at <http://www.smh.com.au/world/revealed-burmax2019s-nuclear-bombshell-20090731-e4fw.html>; and Daniel Flitton, "Burma and the Bomb", *The Age*, 1 August 2009, found at <http://www.theage.com.au/world/burma-and-the-bomb-20090731-e4h6.html?page=-1>.

<sup>63</sup> Two Australian researchers have claimed that, all going according to plan, Myanmar would be in a position to produce one nuclear weapon a year, every year, from 2014. McDonald, "Revealed: Burma's Nuclear Bombshell".

identified by Myanmar's Ministry of Energy. According to these defectors, two new mines are now being worked, one near Mohnyin in Kachin State and the other near Mogok in Mandalay Division. The ore was said to be refined at Thabeikkyin, which is situated roughly between the two mines, and at another mill on the Myit Nge River, south of Pyin Oo Lwin. In addition, a number of nuclear research facilities had reportedly been built in central Myanmar.

None of these claims have yet been verified. Some may in fact relate not to a secret nuclear weapons programme, but to Myanmar's considerable efforts over the past twenty years to upgrade its arms industries and military infrastructure. Even so, some claims made by the defectors appear plausible, or at least raise important questions. There are a large number of defence-related facilities in Myanmar which have not been clearly identified.<sup>64</sup> Also, professional Myanmar-watchers have long been concerned by the dearth of reliable information about the regime's thinking, particularly on key strategic issues.<sup>65</sup>

Understandably, officials looking at these issues are being very cautious. No one wants a repetition of the mistakes which preceded the 2003 Iraq War, either in underestimating a country's capabilities, or by giving too much credibility to a few untested sources. In the highly charged political environment that now surrounds WMD issues, not to mention consideration of Myanmar's many complex problems, no government is going to accept claims of a secret nuclear weapons programme without investigating them thoroughly first.

Given its record since 1988, however, there can be little doubt about the ruthlessness of the military government, and its willingness to do almost anything to remain in power and protect Myanmar from perceived external threats.

## Threat Perceptions

Over the past twenty years, Myanmar's security environment has changed dramatically. Before 1988, its government was recognised as a thinly disguised military dictatorship, but it was accepted in world councils and given substantial aid by the international community. The regime viewed its greatest threats as local insurgencies, pressure from Myanmar's larger and more powerful neighbours and entanglement in the strategic competition between the superpowers.<sup>66</sup> As a

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<sup>64</sup> Interviews, Singapore, Bangkok, Rangoon and New Delhi, January-February 2009.

<sup>65</sup> See, for example, International Crisis Group, *Myanmar: The Military Regime's View of the World*, Asia Report No.28 (International Crisis Group, Bangkok/Brussels, 7 December 2001); and Andrew Selth, "Burma in a Changing World: Through a Glass Darkly", *AQ: Journal of Contemporary Analysis*, vol. 75, n. 4, July-August 2003, pp. 15-21.

<sup>66</sup> See, for example, Andrew Selth, *Burma: A Strategic Perspective*, Working Paper No.13 (Asia Foundation, San Francisco, 2001).

result, Myanmar's armed forces were configured exclusively for internal security operations. China and India were managed through quiet diplomacy, while a neutral foreign policy, reliance on the UN and a focus on global disarmament helped Myanmar avoid Cold War rivalries.

Internal unrest still worries the SPDC. These concerns were renewed in September 2007, when tens of thousands of Buddhist monks and other Myanmar citizens took to the streets to demand political and economic reforms. Also, a few armed insurgent groups remain active around Myanmar's borders. Since 1988, however, the regime's external threat perceptions have been turned on their heads. China, India and Russia are now the regime's closest supporters. The US and UK, once seen as friends, if not possible allies, are considered serious threats to Myanmar's independence and the survival of the military government.<sup>67</sup> Even the UN is now regarded with suspicion.

These changes have profoundly affected the regime's strategic calculations and prompted a range of new security policies. For example, they have encouraged Myanmar's close relationship with China and other powers like Russia. Both are permanent members of the UNSC. It is not known precisely why the usually cautious and introverted military government agreed to join ASEAN in 1997, but one major factor appears to have been the unremitting hostility shown towards Myanmar by the US and other major Western countries. This has also encouraged the development of Myanmar's armed forces (or Tatmadaw) and underlined the need for a credible deterrent capability.

Since 1988, the regime has made an effort to expand and modernise the Tatmadaw, reserving about 35 per cent of the national budget to this end. After decades of being essentially a small, lightly armed infantry force geared to regime protection and counter-insurgency, Myanmar now boasts the second largest armed forces in Southeast Asia. They still suffer from serious problems, particularly in areas like logistics and personnel management, but they are now better organised and better armed, and are probably capable of limited conventional military operations.<sup>68</sup> These enhanced capabilities raise the stakes faced by a hostile neighbour and help act as a deterrent against invasion.

Yet, despite all the improvements to Myanmar's armed forces over the past twenty years, the regime remains concerned about external intervention. Should their worst fears be realised, the generals in Naypyidaw know from their studies

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<sup>67</sup> D.I. Steinberg, "Defending Burma, Protecting Myanmar", *The Irrawaddy*, May 2006, found at [http://www.irrawaddy.com/article.php?art\\_id=5737](http://www.irrawaddy.com/article.php?art_id=5737)

<sup>68</sup> Andrew Selth, *Burma's Armed Forces: Power Without Glory* (EastBridge, Norwalk, 2002). See also Andrew Selth, *Burma's Armed Forces: Looking Down the Barrel*, Regional Outlook no.21 (Griffith Asia Institute, Griffith University, Brisbane, 2009).

of modern conflicts that Myanmar would not be able to withstand a major assault by the US, or a UN coalition. It is in these circumstances that a nuclear weapon could have some appeal.

## Strategic Motivations

To most observers, the idea that Myanmar might be invaded by the US or a multinational force seems very far-fetched. Despite occasional calls for “coercive humanitarian intervention”, as occurred after Cyclone Nargis struck Myanmar in 2008, such a dramatic step has never seriously been contemplated. Nor is it likely to be.

As long as Myanmar enjoys the support of China and Russia, the UNSC cannot endorse an attack against Myanmar, either by the US or a coalition of “willing” countries. The likelihood of ASEAN supporting armed intervention against one of its members is equally remote, and other countries would see a UN military operation against Myanmar as an undesirable precedent. Besides, the examples provided by Iraq and Afghanistan are likely to dissuade others from becoming embroiled in another difficult and potentially drawn-out conflict. The chances of the US taking unilateral military action against Myanmar were always remote, and are even more so since the election of Barak Obama.

From the point of view of Myanmar’s embattled military leadership, however, it is not difficult to see how the SPDC might feel threatened, or why it is at least nervous about the possibility of external intervention.<sup>69</sup>

For the past twenty years, the world’s foremost superpower, with a record of intervening in the internal affairs of other countries, has strongly advocated regime change in Myanmar. To this end, the US has imposed a wide range of sanctions aimed at destabilising the government politically and economically, and weakening it militarily. In addition, numerous governments and non-government organisations have provided support to politicians and activist groups which seek the regime’s downfall. Given all this evidence, it would not be difficult for the regime to construct a coherent, internally consistent picture of an existential threat that was supported by empirical evidence.<sup>70</sup>

In these circumstances, it is possible that the SPDC has drawn the same conclusions that North Korea seems to have done, and is seeking to acquire a nuclear weapon as a bargaining chip to protect itself against the US and its

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<sup>69</sup> Andrew Selth, *Burma and the Threat of Invasion: Regime Fantasy or Strategic Reality?* Regional Outlook No.17 (Griffith Asia Institute, Griffith University, Brisbane, 2008).

<sup>70</sup> Andrew Selth, “Even Paranoids Have Enemies: Cyclone Nargis and Myanmar’s Fears of Invasion”, *Contemporary Southeast Asia*, Vol.30, No.3, December 2008, pp.379–402.

allies. According to one report, some of Myanmar's generals "admire the North Koreans for standing up to the United States and wish they could do the same".<sup>71</sup> More to the point, the SPDC could argue that North Korea's possession of a nuclear retaliatory capability has been the main reason why the US and the UN have not taken tougher action against Pyongyang, despite its long record of provocative behaviour.

Viewed from the SPDC's perspective, the possession of WMD has given North Korea a higher international profile, a stronger position at the negotiating table and an ability to win concessions from the international community. To secure its cooperation, Pyongyang has been given funds, food aid, fuel oil, and technical assistance. Its name has been removed from the US's official list of terrorist sponsors. Syria's secret nuclear weapons programme achieved the opposite result, by actually provoking an armed response, and Iran's nuclear programme has attracted increased international pressure, not less. Even so, there are some generals in Myanmar who feel that there are real benefits to be gained from a nuclear weapons programme.<sup>72</sup>

In considering the behaviour of hierarchical, authoritarian governments like Myanmar, some allowance must also be made for "irrational actors", and the possibility that a single dominant figure can simply order the state apparatus to pursue illogical, illegal, or self-destructive policies. There is some evidence that SPDC Chairman Senior General Than Shwe occupies such a position, and is personally responsible for some idiosyncratic policies. He is apparently highly superstitious and known to consult astrologers and numerologists before making any important decisions. It is conceivable that, under such influences, he has decided that Myanmar should possess nuclear weapons.

## Conclusion

When they were first raised, most observers tended to dismiss suggestions by activists that Myanmar's military government wanted to acquire nuclear weapons. Apart from anything else, the technical and other difficulties that would be faced by the regime seemed insurmountable. Given developments since then, however, the answer to the question of whether or not Naypyidaw has embarked on a clandestine WMD programme may now depend more on issues to do with intention and political will than matters of resources, expertise, and practical management.

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<sup>71</sup> Lintner, "Myanmar, and North Korea share a tunnel vision".

<sup>72</sup> Interview, Singapore, July 2006.

Thanks to booming natural gas sales, mainly to Thailand but soon also to China, Myanmar has billions of dollars in untapped foreign exchange reserves that could be used for such a programme.<sup>73</sup> Over the past twenty years, the armed forces have built an extensive network of new training, research, and development institutions, some of which appear to have nuclear-related programmes. In addition, Russia is providing training for a large number of Myanmar servicemen and officials, including hundreds studying subjects like nuclear physics. Some sophisticated dual-use equipment appears to have been imported, and sensitive nuclear technologies could have been provided by North Korea.

With this in mind, governments, strategic analysts and other Myanmar-watchers around the world are increasingly looking to the Obama administration for an authoritative statement on Myanmar's nuclear status. The Burma JADE Act enacted by Congress in July 2008 stipulated that, within 180 days, the secretary of state must submit a report describing the provision of military and intelligence aid to the regime. The definition of aid includes "the provision of weapons of mass destruction and related materials, capabilities, and technology, including nuclear, chemical, and dual-use capabilities".<sup>74</sup> The deadline for this public statement is long past.

Reports filtering out of Washington during the course of 2009 suggest that senior officials have already received confidential briefings on this subject. They are likely to have informed Hillary Clinton's remarks in July, about the possible transfer of nuclear technology from North Korea to Myanmar. Clearly, the issue is now being monitored more closely than in the past. Yet the world is still waiting for a comprehensive public statement which will put all the rumours, blogs and newspaper stories of the past ten years into their proper perspective. Given the State Department's refusal even to discuss the matter, it is unlikely that such a statement will be forthcoming soon.

Myanmar and North Korea both have such poor international reputations that they are easy targets for criticism. In addition, given their provocative and often bizarre behaviour, they lend themselves easily to conspiracy theories and sensationalist stories in the news, media and on Internet sites. Given the dearth of reliable information, these stories are often difficult to disprove. However, this is

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<sup>73</sup> Burma's international reserves are expected to rise to US\$5 billion by the end of 2009. Sean Turnell, "Burma Isn't Broke", *Wall Street Journal*, 6 August 2009, found at <http://online.wsj.com/article/SB10001424052970204313604574329181770155154.html>; and Simon Roughneen, "Regime rides above sanctions", *Asia Times Online*, 18 August 2009, found at [http://www.atimes.com/atimes/Southeast\\_Asia/KH18Ae02.html](http://www.atimes.com/atimes/Southeast_Asia/KH18Ae02.html).

<sup>74</sup> HR 3890 [110th] Tom Lantos Block Burmese JADE (Junta's Anti-Democratic Efforts) Act of 2008 (Public Law 110-286), enacted 29 July 2008, found at <http://www.govtrack.us/congress/billtext.xpd?bill=h110-3890>



not to say that whenever the names of these two pariah states are linked together, there are no grounds for concern.<sup>75</sup>

The difficulties of building an underground nuclear reactor, processing nuclear fuel, and manufacturing a deliverable nuclear weapon should not be underestimated. Any credible reports of a secret WMD programme, however, let alone one conducted by a state like Myanmar, require careful consideration. Some of the information that has leaked out of the country in recent years seems plausible, and other snippets of information have emerged which, taken together, must raise suspicions. Also, no one underestimates the lengths to which Burma's military leaders will go to stay in power, and to protect the country from perceived external threats.

There has always been a lot of smoke surrounding Burma's nuclear ambitions. Over the past year or so, the amount of smoke has increased, but still no one seems to know whether or not it hides a real fire. As time passes, the need to find an answer to this important question can only increase.

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<sup>75</sup> Andrew Selth, "Burma and North Korea: Smoke or fire?", Australian Strategic Policy Institute, *Policy Analysis*, No.47, 24 August 2009, found at [http://www.aspi.org.au/publications/publication\\_details.aspx?ContentID=222](http://www.aspi.org.au/publications/publication_details.aspx?ContentID=222)



# Myanmar's Migrants: History, Status Quo, and Implications

*Shao Jian Ping<sup>1</sup>*

## Introduction

The history of migration is as long as that of human beings. By the 20th century, with the global expansion of capitalism and colonialism, migrations have expanded at an unprecedented scale, which has posed many issues that have become an academic research hotspot.

However, as for an accurate and universal definition of “migrants”, international academic circle still have not reached any consensus. Indeed, it is very difficult to define “international migrants”. Just as Steven Caser said, “there is no objective criterion available to define migrant because it is tailored by administrations’ policies which are reflections of local politics, economy and the public attitudes”<sup>2</sup>

In accordance with the definition by United Nations Population Division and International Organization for Migration, “international migrants” indicates cross-border permanent spatial movement of population; it ranges from one month to twelve months in different countries.<sup>3</sup>

Based on the definition mentioned above, an extensive definition is adopted in this paper: international migrants indicate those who have a desire to dwell in a host country and have settled down continuously in the same host country for over one year. The definition of international migrants also includes migrant labour that have dwelled in an immigrated country for a comparatively longer period of time, “legal and illegal migrants” and “refugees”.

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<sup>1</sup> Shao Jian Ping, Graduate Student in International Relations, School of International Studies, Yunnan University.

<sup>2</sup> Xu Huajun, “Legal Control on illegal migration”, Huazhong University of Science and Technology press, 2000, p. 9.

<sup>3</sup> See [http://en.wikipedia.org/wiki/Mixtec\\_transnational\\_migration](http://en.wikipedia.org/wiki/Mixtec_transnational_migration)

## 1.1 The Immigrants of Myanmar before 1988

### 1.1.1 The Immigrants of Myanmar: History, General Profile, and Traits

The history of Myanmar's immigrants is a long one. The history before 1988 of Myanmar's immigrants can be divided into six phases: before colonial rule of Britain, from 1824 to 1942, from 1942 to 1945, from 1945 to 1947, from 1947 to 1962, and from 1962 to 1988.

Before the colonial rule of Britain, most of the immigrants of Myanmar were Chinese. The history of Chinese migration to Myanmar can be dated back to the Tang Dynasty, lasting to late Ming and early Qing dynasties. There were many Chinese in Myanmar, until the eve of British colonial rule. The number of Chinese living in Myanmar had become large.

In the second stage, the period of British colonial rule, the immigrants of Myanmar were mostly Chinese and Indian. In 1824, Britain invaded Myanmar and it became a complete province of British India in 1884. With the stimulus of the colonial administration's policy that encouraged rice export and high rice price in the international markets, the rice cultivation in lower Myanmar experienced a sharp development. As the rice planting area increased, the need for labour in lower Myanmar expanded. To encourage foreigners to migrate to lower Myanmar, the British colonial administration issued "Aliens Regulation of 1852", "Aliens Regulation of 1864", and "Cess Bill of 1876" successively. With the stimulus of these policies and acts, many Chinese and Indian migrated to Myanmar. According to the survey of British colonial administration, the number of Chinese in Myanmar was 122,000 in 1911, 149,000 in 1921, and 194,000 in 1931. The number increased to 300,000 in 1941, accounting for 1 per cent of the total population of Myanmar.<sup>4</sup> In 1862, after Myanmar became a part of British India, Indians could migrate to Myanmar easily. To encourage Indians to migrate to lower Myanmar, the colonial government gave subsidies to shipping companies in order to decrease ticket fare for those who wanted to migrate to Myanmar. During the second half of 19th century, the number of Indians migrating to Myanmar increased continuously. Until 1901, its number exceeded 297,000 (over 7 per cent of the total population of lower Myanmar).<sup>5</sup> From 1921 to

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<sup>4</sup> Written by Busselle, translated by Wanglu, "The Chinese in Southeast Asia", *Southeast Asian Studies A Quarterly Journal Translation*, no. 1, 1958, p. 3.

<sup>5</sup> Michael Adas, *The Burma Delta: Economic Development and Social Change on an Asian Rice Frontier, 1852-1941*, p. 85, quoted from Chen Zhenbo, "The relations between foreigners and civil citizens in the period of British colonial governance", *World Ethno-National Studies*, no. 5, 2007, p. 60.

1931, the number of Indians in Myanmar increased from 881,000 to 1.108 million,<sup>6</sup> making Myanmar the biggest Indian migrants' destination in Southeast Asia.<sup>7</sup>

In January 1942, Japan made a massive invasion into Myanmar and seized Myanmar entirely and became its colonial ruler by replacing Britain on 30th May. During that period, the immigrants of Myanmar were mainly Chinese, Indian, and Japanese. Generally speaking, the number of Chinese and Indian immigrants decreased rapidly because they could not stand the cruel governance of the Japanese. According to estimation, the number of Indians in Myanmar who returned to India was about 400,000.<sup>8</sup> The number who returned to China were in the tens of thousands, but just approximately 20,000<sup>9</sup> made it to southwestern China while half of the total died halfway. At the same time, some Japanese migrated to Myanmar as political migrants serving for colonial governance.

In May of 1945, suffering setbacks in the Second World War, the colonial governance of Japan in Myanmar broke down. Meanwhile, Britain came back and recolonised Myanmar for three years until it received independence. Generally speaking, the British colonial governance carried on with its pre-war migration laws. However, more and more Burmese were resentful that many Chinese and Indian returned to Myanmar, which forced British colonial governance to enact an emergency regulation to restrict immigration in 1947. It was a turning point of Myanmar's migration policy. Hereafter, Myanmar began to restrict immigration instead of encouraging it.

On 4th January 1948, Myanmar received complete independence. It was called the Liberal Democrats from 1948 to 1962 in Myanmar's history. During that period, Myanmar continued to implement the migration policy of 1947 to restrict immigration. When emigrants requested to become Myanmar citizens, Myanmar government took *jus sanguinis* as the deciding factor, with *jus soli* as the auxiliary one instead of *jus soli* as the dominating rule, which were included in the constitution of Union of Myanmar. If immigrants wanted to be Myanmar citizens, they should satisfy one of the following conditions: (i) Every person, both of whose parents belong or belonged to any of the indigenous races of Burma; (ii) every person born in any of the territories included within the Union, at least one of whose grand-parents belong or belonged to any of the indigenous races of

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<sup>6</sup> Yang Changyuan "General View on Myanmar", *Chinese Social Science Press*, 1990, p.25.

<sup>7</sup> Xiao Yongjian, "The policy and overseas Chinese in the period of British recolonized Myanmar (1945 to 1947)", *Overseas Chinese History Studies*, no. 3, 1990, p. 13.

<sup>8</sup> Shina Jier "General View on Economic Geography of Myanmar", SDX Joint Publishing Company, 1956, p. 90, quoted from Xiao Yongjian "The policy and overseas Chinese in the period of British recolonized Myanmar (1945 to 1947)", *Overseas Chinese History Studies*, no. 3, 1990, p. 13.

<sup>9</sup> Xiao Yongjian "The policy and overseas Chinese in the period of British recolonized Myanmar (1945 to 1947)", *Overseas Chinese History Studies*, no. 3, 1990, p. 13.

Burma; (iii) every person born in any of territories included within the Union, of parents both of whom are, or if they had been alive at the commencement of this constitution would have been, citizens of the Union; (iv) every person who was born in any of the territories which at the time of his birth was included within His Britannic Majesty's dominions and who has resided in any of the territories included within the Union for a period of not less than eight years in the ten years immediately preceding the date of the commencement of this constitution or immediately preceding the 1st January 1942, and who intends to reside permanently there in and who signifies his election of citizenship of the Union in the manner and within the time prescribed by law, shall be a citizen of the Union.

Because it was rigorous, the number of immigrants who acquired citizenship was very small. Take the Chinese for example, based on a report of Migration Ministry of Myanmar, up to 1961, the number of Chinese who got Myanmar's citizenship was 6,279; those without getting citizenship over eighteen years old were 91,156.<sup>10</sup> In short, just as an editorial of *Rangoon Newspaper* reported "after 16 years since independence, the number of emigrants who got citizenship is extraordinarily tiny".<sup>11</sup> Although the number of Chinese immigrants who got Myanmar's citizenship was small, there was a great quantity of Chinese migrating to Myanmar as the Sino-Myanmar relations developed, and they enjoyed relatively high status.

From 1962 to 1988, Myanmar was ruled by the U Ne Win junta. In that period, the immigrants of Myanmar decreased rapidly. The U Ne Win junta carried out the undertaking of nationalisation vigorously. A large number of enterprises owned by immigrants were nationalised by the junta. Many Chinese and Indian immigrants were attacked unprecedentedly, and could not survive in Myanmar. They had to leave Myanmar. A majority of Indian immigrants returned to India. Up to 1980s, there were no more than 400,000 Indians in Myanmar, 47,000 of whom had Myanmar nationality, 47,000 who maintained Indian nationalities, 46,000 who had other nationalities, and 260,000 who had no nationalities.<sup>12</sup> At the same time, the status of Chinese suffered a dramatic decline, which resulted from the nationalisation of the economy. Besides, it was also the result of the "6.26" incident. On June 26, 1967, the U Ne Win

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<sup>10</sup> "Migration ministry of Myanmar report, there are 6727 Chinese get citizenship", *New Rangoon*, March 7th, 1961, quoted from "Analysis on the status of Chinese in the period of liberal democracy", *Southeast Academic Research*, no. 2, 2003.

<sup>11</sup> Quoted from Fan Hongwei "Study on Status Change of Chinese community in Myanmar", Dissertation for the degree of Doctor of Philosophy 2004, Xiamen University, p. 52.

<sup>12</sup> Donald M Seekins, "Burma - China Relations playing with fire", *Asian Survey*, vol. XXXVII, no. 6, June 1997, California University, pp. 534-535, quoted from Lin Xixing "Indians in Myanmar", *World Ethno-National Studies*, no. 2, 2002, p. 65.

junta brought about an anti-Chinese riot to suppress Chinese immigrants. There were many reasons that can explain the incident. First, ultra-left trend of thought caused by the Cultural Revolution in China influenced Chinese in Myanmar. They conducted some extreme activities, such as wearing badges with Chairman Mao on it, reading quotations from Chairman Mao, and so on.<sup>13</sup> The U Ne Win junta thought that their behaviours had a negative impact on building Myanmar's identity. Second, the "6.26" incident was the result of the U Ne Win junta's effort to divert a political crisis. U Ne Win was always facing a legitimacy crisis since he took over the power. The masses had not ceased fighting against the U Ne Win junta. In 1967, the U Ne Win junta encountered unprecedented risk of civil war. A panic arose in the distribution of oil, rice, and other necessities, which led citizens and students to make a grand demonstration. In order to divert the masses' attention, the U Ne Win junta made use of ultra-left trend of thought of Chinese in Myanmar to agitate the Burmese's hostility towards the Chinese in Myanmar. Just as a Western scholar thought, the "'6.26' incident gave the U Ne Win junta a chance of breathing, because the U Ne Win junta internationalised civil affairs, making Chinese the targets of fury and frustration of the general population."<sup>14</sup> Besides, there were other reasons for the "6.26" incident, for example, the anti-Chinese sentiments of other countries played a certain exemplary role to influence Myanmar. The programmes of nationalisation and anti-Chinese movements pushed Chinese and Indian immigrants out of Myanmar. From 1963, to 1967, over 300,000 Chinese immigrants and 100,000 Indian immigrants departed from Myanmar. In 1982, the U Ne Win junta took the new Citizenship law, which discriminated immigrants. Hence, immigrants from China's mainland could not survive and had to leave Myanmar. Most of them migrated to Taiwan, Hong Kong, Australia, and America.<sup>15</sup>

In general, the immigrants of Myanmar before 1988 were Chinese and Indian, and its number varied as the regime and migration policies alternated.

### 1.1.2 The Impacts of Immigrants on Myanmar's Social Development

Without a doubt, such a large number of immigrants had both positive and negative influences on the social development of Myanmar.

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<sup>13</sup> Fan Hongwei, "Study on Status Change of Chinese community in Myanmar", Dissertation for the degree of Doctor of Philosophy 2004, Xiamen University, p. 144-146

<sup>14</sup> Josef Silverstein, "A new vehicle on Burma's road to socialism", [J].*Asia*.1973, Spring no. 29, p. 66, quoted from Fan Hongwei "Study on Status Change of Chinese community in Myanmar", Dissertation for the degree of Doctor of Philosophy 2004, Xiamen University, p. 144-146.

<sup>15</sup> See <http://www.lib.nus.edu.sg/chz/chineseoverseas/ocmd.htm>

On one hand, a large number of Indian and Chinese immigrants made great contributions to the economic development of Myanmar. First, they provided low-cost labour for Myanmar. Myanmar's rice cultivation, which is a labour-intensive industry, expanded vastly under the control of Britain. A large number of Indian and Chinese immigrants solved the problem. They created wealth for the colonial government and laid the foundation for the subsequent development of Myanmar. Second, in sum, the technologies of the Indian and Chinese were more advanced than the Burmese. The Chinese and Indian immigrants brought advanced scientific technologies to Myanmar, promoting productivity. Third, they contributed greatly to the development of Myanmar's commerce economy. Generally speaking, Myanmar was a traditional agricultural country before the Indians and Chinese migrated to Myanmar. Most of the Indians and Chinese mainly engaged in commercial sectors, which facilitated the completion of economical structure and the development of a commerce economy. According to data of 1962, contemporary business and industry owned by Chinese immigrants took up about 75 per cent of the total amount in Myanmar and they dominated in some newly developing items.<sup>16</sup> Fourth, they speeded up the process of urbanisation of Myanmar. Taking Rangoon as an example, there was just one town with a population of 9,000 in 1824, but the population reached 1 million in 1921, including 500,000 Indians and 70,000 Chinese.<sup>17</sup>

On the other hand, so many immigrants also had a certain negative influence on Myanmar. First, except Chinese, most of the Indian and Japanese immigrants in Myanmar before 1988 were serving for colonial governance, which led to severe suffering in Myanmar. Second, the immigrants competed for jobs opportunities with Burmese, making it more difficult to make a living for the latter. They had more advantages than the Burmese because they had hard-work spirit. Third, economical contradiction converted to political and ethical conflict, resulting in an adverse effect on the social development of Myanmar. As for the Indians, they were taken as subservient to the British colonial governance by the Burmese and were treated as their enemies. For this reason, there were two great conflicts between Indians and Burmese during the British governance. The first one happened in 1930 to 1931. In 1929, the worldwide economic crisis spread to Myanmar; in addition, Chettiars from India occupied a great deal of land in villages through usury, which forced rural Burmese to swarm into cities for job opportunities. They competed for job opportunities with Indian immigrants,

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<sup>16</sup> Luo Qunying, "A study on history and status quo of Chinese in Myanmar", *Overseas Chinese History Studies*, no. 3, 1997, p. 39.

<sup>17</sup> B.B. Pear: *History of Rangoon*, Rangoon, 1939, quoted from Lin Xixing, "Indians in Myanmar", *World Ethno-National Studies*, no. 2, 2002, p. 68.



which resulted in conflict. At the beginning, it only occurred in Rangoon, but later it extended to the regions around Rangoon. According to official report, about 100 people were killed and 1,000 injured in the conflict, most of them were Indian. However, present-time observers believed about 300–500 people were killed.<sup>18</sup> The second conflict was the anti-Muslim campaign in 1938. In 1931, a Muslim named ShweH pi wrote a book that ran down Buddha to some extent, which caused a conflict between Buddhists and Muslims. In 1938, the conflict became acute, anti-Muslim campaign expanded to the other regions of Rangoon, then to other towns and cities of Myanmar. Because a great number of Indian immigrants were Muslims, the conflict between Buddhists and Muslims evolved to one between the Burmese and the Indians. It has not appeased until the “Security Emergence Law of Rangoon” was drawn up by the government, which had a huge negative influence on the social order.

## 1.2 The Immigration to Myanmar since 1988

In September of 1988, the State Law and Order Restoration Council (SLORC) of Myanmar took over the regime, accomplished the national reconciliation, gave up the seclusion policy and planned economic system implemented by the Ne Win government for twenty-six years, and declared the economic reform and open-door policy to the world. It also carried out the policy of market-oriented economy and privatisation, by taking in a series of measures for economic reform, and also made full use of foreign capital, in order to develop the private sectors by strengthening border trade with periphery countries, particularly with China, India, Thailand, etc. With this incentive, many foreign immigrants flew into Myanmar, and became the new immigrants of Myanmar.

### 1.2.1 The Reasons of Foreigners Migrating into Myanmar since 1988

From the recent international migration theories, most theories mainly focus on the explanation of international migration motives. This paper believes the following theories can explain why foreigners have migrated into Myanmar since 1988.

**“Push and pull” theory.** It considers that double factors—“push” and “pull”—decide the existence and development of international migration. The “push” forces people to leave homelands, such as population growth, low living

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<sup>18</sup> John F. Cady, *A history of Modern Burma*, Cornell University Press, 1958, p. 305, quoted from “Study on the Two Conflicts between Burmese and Indians in Myanmar during under the Control of Colony”, *World Ethno-National Studies*, no. 6, 2004, p. 42.

standard, deficiency of working chances, political pressure, and so on; and the “pull” attracts people to migrate, such as demand for foreign employees, the requirement of lands, sufficient economic chances, political freedom, etc. Since September of 1988, the Union of Myanmar put a series of measures and policies into practice to attract foreign capital, which supply sufficient economic opportunity, forming “pull” to immigrants; simultaneously, according to population growth, competition aggravation and fewer economic opportunities forms the “push” to migration.

**Network theory.** It refers to a connection that family and friends build up based on relatives and friendship. In general, those people having social relationships with foreign migrants would greatly increase the possibility of international migration; once those people have experienced emigration, later emigrants would rely on the former’s experience and the social connection with other migrants.<sup>19</sup> For the Indians and Chinese, migrating to Myanmar is a tradition, which has built up networks and communities in Myanmar and greatly helped the later immigrants and gave them a sense of belonging. In the period of Ne Win, many migrants who returned to their own countries had this migration experience; after 1988, they gradually returned to Myanmar.

**System theory.** It believes the reasons of colonisation, political influence, trade, investment, cultural connection, and so on form a close and stable bond between host countries and source countries, which leads to follow-up massive migration.<sup>20</sup> The number and scale of immigration flowing into Myanmar always changes with relationship variations between the source countries and Myanmar. The Indian government’s support of the democratic leader Aung Suu kyi did not go very well with the Myanmar regime, thus leading the State Law and Order Restoration Council to arrest democratic fighters and students of Myanmar on the September of 1988. Relations between Myanmar and India worsened with the inflicted riots against Indians in Prome, Taunggyi, and Maymyo which compelled many to flee to Yangon.<sup>21</sup> In addition, most of them returned to India. While handling the relationship with Myanmar, China continued insisting on the Five Principles of Peaceful Coexistence; Sino-Myanmar relations developed well for all the time, which established the foundation for Chinese to migrate to Myanmar.

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<sup>19</sup> Fu Yiqiang, “An overview on contemporary international migration theories”, *World Ethno-National Studies*, no. 3 2007, p. 52.

<sup>20</sup> Zhou Yue and Ruan Zhengyu, “The Status Quo And Trend Of Studies On Contemporary International Migration Theories”, *Journal Of Ninan University* (edition of philosophy and social science), vol. 1, no.2, March 2003, p. 6.

<sup>21</sup> Lin Xixing, “Indian in Myanmar”, *World Ethno-National Studies*, No.2. 2002, p. 68.

## 1.2.2 The Current Situation and Features of Immigrants in Myanmar

Since 1988, most new immigrants in Myanmar come from China, but due to various limitations, until now the number of Chinese immigrants in Myanmar is hard to estimate. Hong Kong *Asian Weekly* reported on August 26, 1988 that of the 40 million population, Chinese accounted for 2.2 per cent. Based on it, Chinese in Myanmar are over 800,000.<sup>22</sup> An organisation expressed in a report in 1995 that Chinese accounts for 15 per cent to 20 per cent of the total population in Myanmar. Since the 21st century, with the construction of the GMS sub-region, China has developed closer relation with northern Myanmar, resulting in many Chinese migrating to Myanmar in order to settle and trade. According to the material of Taiwan Overseas Chinese Affairs Commission, the Chinese in Myanmar is 2.5 million; this number is too great to believe. Professor Zhuang Guotu estimated the new immigrants in Myanmar are about 1–1.1 million.<sup>23</sup> However, according to the estimation of the Chinese embassy in Myanmar, now the Chinese in Myanmar have reached 2.3 million, According to some material, the number even reached to 3 million. In terms of the distribution, the Chinese in Myanmar are mainly scattered in big cities and medium-sized towns. They predominantly work on commercial activities.

However, there are certain amounts of unregulated Chinese immigrants in Myanmar, which comprise two parts: those who had illegally departed from China to Myanmar; the other being legal labour migrants according to the cooperation agreement signed by Yunnan province of China local government and ethnic minority armed forces of Myanmar. Because the special administrative regional government of Myanmar has no right to give foreign capital access to mine and lumber, the government of the Union of Myanmar takes it as illegal immigration. The reasons leading to lots of illegal Chinese migrants to Myanmar mainly include five aspects: first, northern Myanmar is a wild land with very few people, where the weather condition is good and easy to live. The local people have a simple sense of commodity economy, and are not very good at working and managing. So some Chinese look at the northern region as a promising land, even for drug trafficking. Second, armed separatist forces exist everywhere in northern Myanmar. Third, some people take Myanmar as a spring board before heading for other countries in Southeast Asia; however,

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<sup>22</sup> Lin Xixing, "Demographic of Chinese in Myanmar", *Around Southeast Asia*, no.1, 2000, p. 53.

<sup>23</sup> Zhuang Guotu, "The Interaction of Trade and Migration, The New Sino-Southeast Asia Relations-the Reasons Why Chinese Emigrate to Southeast Asia in the latest 20 years", *Journal of Contemporary Asia-Pacific Studies*, no. 2, 2008, p. 104.

they ended up staying in Myanmar. Fourth, another reason is that some ethnic minorities in northern Myanmar take all measures to recruit talents in China. Fifth, is the land border between China and Myanmar reaches 2,200 miles, with numerous accesses and no way to stop illegal immigration.

Now the number of illegal immigrants from China to Myanmar cannot be estimated accurately, and it is a controversial issue. Nevertheless, according to estimation of related sources, Chinese illegal immigration in Myanmar is considerable.

### **1.2.3 The Influence of New Immigrants to Myanmar's Society**

In all, many foreign immigrants bring about great influence on Myanmar's social development.

Economically, immigrants have been making great contribution to the economic development of Myanmar. After the new military junta took power in September of 1988, it took some measures to promote the development of the economy and encouraged private investment to commercial sector. What's more, another two laws to spur liberalisation were enacted by military junta. The first was "Decree of Special Pardon on Taxation," enacted in 1990. According to this decree, unexplained individual property can be used as investment and to purchase real estate if they made a 25 per cent supplementary taxation payment. The other was "Investment Law of Citizens", allowing individual investors to start all kinds of businesses. Encouraged by these policies, most Chinese were active in investing in Myanmar. In sum, the Chinese economy is a key part in Myanmar's private sectors. In 2000, the Chinese economy was about 33 per cent in total Myanmar's, same as the Burmese people and Indians.<sup>24</sup> With the development of privatisation, liberalisation, open-door policy, the entry of transnational Chinese capital and Sino-Myanmar relations, the Chinese economy will experience further development and play a more crucial role in the economic structure of Myanmar.

In the latest years, a great number of illegal Chinese migrants have made a negative influence on Myanmar's society. In 1990s, with the incentive of great economic benefit, many people from Yunnan Province flew into the northern cities of Myanmar using forged IDs. They usually do some illicit business, for example planting and trafficking drugs in cooperation with the local Chinese. These enormous profits are used to invest in the real estate industry after the money has been laundered. It causes the rise of price in real estate, making the Burmese resentful and causing intensified ethnic relations.<sup>25</sup> Now, the labour

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<sup>24</sup> "Yearbook of Chinese Economy", *Zhaohua Press*, 2001.

<sup>25</sup> See [http://www.lib.nus.edu.sg/chz/chineseoverseas/oc\\_md.htm](http://www.lib.nus.edu.sg/chz/chineseoverseas/oc_md.htm)

and illegal immigrants have entered the hinterland and to the Myanmar-India border. All Chinese businessmen only employ Chinese citizens instead of local residents, and this is not supported by the Burmese people and the Myanmar government. Although the Myanmar government has not complained about it openly, its conducts explicitly indicates its attitude. The most obvious example is the Myanmar military junta's arrests of Chinese illegal labour migrants. If the illegal immigrants cannot be regulated, the conflict between the immigrants and the local people will deepen and this will be a matter of concern for the Myanmar government.

What's more, crime and cheating by Chinese is a serious offence in Myanmar. For example, some Burmese state that 80 per cent of the criminal cases in Yangon are committed by the Chinese. Therefore the Burma police is known to torture Chinese offenders, and then inform the Chinese Embassy in Myanmar.

## **2. Emigrants of Myanmar**

The number of emigrants of Myanmar was small and most of them went to Britain and India before independence. From 1948 to 1962, the number of Myanmar emigrants continued to be small. After Myanmar fell under the control of the military junta since 1962, the number of Myanmar emigrants began to increase. Since 1988, the military bloc has been putting down democracy campaigns in civil society, which forces a lot of Burmese people to migrate abroad.

### **2.1 Root Causes of Migration from Myanmar**

Over the past fifteen years, the number of people who left Myanmar has grown to be one of the largest migration flows in Southeast Asia, which is the direct result of the grave political, economic, and cultural conflicts in Myanmar.

Since 1962, Myanmar has been under the control of a military junta for forty-seven years. In short, as the most important ruling instrument of a state, the army is a despotic bloc. Therefore, military regimes inevitably have a characteristic of dictatorship. The characteristic of Myanmar is more obvious due to specific history and social circumstances. All of the state affairs, politically, economically, and foreign policy are dominated by the military junta. For this reason, many Burmese people went to other countries. They can be divided into two categories. The first are those directly oppressed by the military junta. They leave Myanmar for the purpose of hiding from political persecution. Most of them consist of two groups, the first being those oppressed around June 18, 1988; the second being those persecuted after 1990 elections. By October 1987, Myanmar had a dwindling economy and was facing public anxiety and anger over a disastrous government scheme to demonetise certain bank notes

which effectively wiped out peoples' savings. Student demonstrations erupted throughout the country and soon spread to general nationwide strikes demanding democratic elections. By August 1988, the military leaders, unable to withstand the unrelenting and growing protests, responded with violent suppression. Several thousand civilians were reported to have been killed. Despite repressive and violent measures taken by the government, people continued to demand political change. The international community condemned the repression too. Given such national and international pressure, the military agreed to hold elections in May 1990. The National League for Democracy (NLD), led by Daw Aung San Suu Kyi, won with an overwhelming majority. However, the junta disavowed the outcome of the elections, refused to transfer power to the winner, and persecuted the people who demanded democracy change. For this reason, many students, elected senators and some monks left Myanmar. For example, the Sein Win regime founded in Thailand in December of 1990 was organised by Sein Win, an elected senator.

The second category are those who are indirectly oppressed by the junta. As an all power ruler in the process of decision-makings, the junta requires people to obey absolutely and forces them to relocate and work for the junta. The junta declared 1996 a "Visit Myanmar Year" and built hotels, parks, boulevards, and golf courses in anticipation of tourists. They used forced labour on many of these projects and forced one million people<sup>26</sup> to depart from the capital city of Rangoon. According to a survey report of 2003, about 19 per cent of the Burmese people living in Thailand had the experience of being forced to work for the junta; about 7 per cent located in Mae Sot in Thailand's Tak province were forced to be relocated by the junta.<sup>27</sup> Due to the grave political oppression, they have lost the necessities in Myanmar and had to migrate in search of security and safety.

The military regime has fatal weakness in economic management. It leads to lagging economy and poverty of the people. At the beginning of independence, Myanmar, a country of abundant natural resources and human potential, was deemed to have a bright future. However, from the second half of 1980s to the beginning of 1990s, the economy of most Southeast Asian countries developed quickly. In contrast, from 1965 to 1985, under the control of the military junta, the annual average economic growth rate of Myanmar was just 2.4 per cent.<sup>28</sup>

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<sup>26</sup> Sandee Pyne, *Migration Knowledge: Schooling, Statelessness and Safety At the Thailand-Burma Border*, Dissertation submitted to the Faculty of the Graduate School of the University of Maryland, College Park, in partial fulfilment of the requirements for the degree of Doctor of Philosophy 2007, p. 69.

<sup>27</sup> *Ibid.*, p. 92.

<sup>28</sup> Quoted from He Jingsong, "Study of Myanmar's military regime (1962–2000)", Dissertation for the degree of Master 2004, Yunnan Normal University, p. 81.

Because of repressive policies in economy, Myanmar was listed as one of the least developed countries in 1987.<sup>29</sup> From 2000 to 2003, the continuous and dramatic inflation rates occurring in Myanmar led to escalated commodity prices of basic necessities and the basic life of people could not be ensured.<sup>30</sup> These factors have been pushing Burmese people to emigrate. The World Vision Foundation of Thailand and the Asian Research Center for Migration (ARCM) conducted a study in 2003 involving 400 migrants from Myanmar living in three Thai provinces of Tak, Chiang Mai, and Ranong. The study determined and ranked the reasons for migration from Myanmar as: low wages; unemployment; family poverty; distressing experiences such as forced labour practices; and a lack of qualifications for employment.<sup>31</sup> At the same time, other Southeast Asia countries, including Thailand, Malaysia, and Singapore, had vast development in their economy. Therefore, they became the destination of Burmese migrants. Take Thailand as an example. As its economy developed, so it leads to a rapid increase in the shortage of labour. The citizens of Thailand were unwilling to do the low-paid jobs; there were so many vacant positions that attracted Burmese to immigrate.

Ethnic contradictions and conflicts are another reason for Burmese to emigrate. The never-ceasing civil wars have made Burmese people depart from Myanmar. Ethnic minority issue is so severe that it is the root cause of civil wars. Ethnic minorities make up more than one-third of the population and they have been the junta's greatest obstacle to dominate and maintain national unity.<sup>32</sup> On one hand, the clashes between ethnic minority armies and the Burmese military have directly made an influence on minorities' daily life. For the very reason that they have lost houses, relatives, and other necessities, they flee across Myanmar's border. The thirty years of clashes between the Karen ethnic resistance army and the Burmese military is the immediate cause. In the early 1970s, military skirmishes largely occurring during the dry season between the Karen National

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<sup>29</sup> Zo T. Hmung, "Ethnic Political Crisis in the Union of Burma". New Haven: Council for Southeast Asia Studies at Yale University.

<sup>30</sup> Awatsaya Panam, Khaing Mar Kyaw Zaw, Therese Caouette, and Sureeporn Punpuing, "Migrant Domestic Workers: From Burma to Thailand", in *Transborder Issues in the Greater Mekong Sub-region*, edited by Suchada Thaweesit Peter Vail Rosalia Sciortion, The Mekong Sub-region Social Research Center, January 2008, p. 307.

<sup>31</sup> Sandee Pyne, Migration Knowledge: Schooling, Statelessness, and Safety at the Thailand-Burma Border, Dissertation submitted to the Faculty of the Graduate School of the University of Maryland, College Park, in partial fulfilment of the requirements for the degree of Doctor of Philosophy 2007, p. 92.

<sup>32</sup> Awatsaya Panam, Khaing Mar Kyaw Zaw, Therese Caouette, and Sureeporn Punpuing, "Migrant Domestic Worker s: From Burma to Thailand", in *Transborder Issues in the Greater Mekong Sub-region*, edited by Suchada Thaweesit Peter Vail Rosalia Sciortion, The Mekong Sub-region Social Research Center, January 2008, p. 306.

Union (KNU) and the military junta often caused people to flee across the border to Thailand. Most people returned to their villages during the rainy season when the armies withdrew. The year of 1984 proved to be a pivotal year because the junta successfully breached the KNU front lines in the area across from Thailand's Tak Province. This sent 10,000 refugees across the border and when the junta maintained its position over the rainy season, the refugees had little option but to remain in Thailand. More and more Burmese people flee into Thailand with the further losses of KNU. In the past decades, long-delayed civil wars caused over 154,000 Burmese refugees living in nine refugee camps.<sup>33</sup> On the other hand, the military junta began to force relocations of minority villages in order to strengthen control in areas where ethnic opposition groups are active since 1996. According to the data, no less than 2,500 villages were destroyed in eastern Myanmar during 2002–2004.<sup>34</sup> From 2002 to 2004, another 240 villages were destroyed, causing about 160,000 relocated.<sup>35</sup> There are many serious problems in the process of relocation, such as forced labour, destroying of houses and fields, intervening minorities' customs, and bringing about some violent incidents. These force many minority groups to flee across Myanmar's border to northern Thailand, where the number of Shan minority refugees is no less than 100,000.<sup>36</sup> According to the data published by Border Committee, there were no less than 141,608 refugees in the camps set up by it; the undocumented refugee counterparts in Thailand are more than this documented one. Besides, the attention-getting Rohingya refugees issue is also the result of ethnic conflict. At the beginning of independence, Rohingya was taken as an indigenous ethnicity. However, later the military junta disavowed their indigenous identity. They were not taken as citizens in "The Law of New Citizenship" released in 1982. From that time onwards, they have been taken as illegal citizens in Myanmar. The military junta always intervenes and suppresses them on politics, economy, and culture. They have to flee across Myanmar's border to other countries. As estimated by researchers, over 100,000 Rohingyas migrated to other countries,<sup>37</sup> most of whom became refugees, mainly living in Bangladesh, Malaysia, and Thailand.

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<sup>33</sup> Thailand-Burma Border Consortium (TBBC), December 2006 statistic.

<sup>34</sup> Burma: Displacement Continues Unabated in one of the World's IDP Situations, Global IDP (internally displacement persons) Project, June 27, 2005.

<sup>35</sup> Internal Displacement and Vulnerability: Eastern Burma, Thailand-Burma Border Consortium, October 2004.

<sup>36</sup> Desmond Ball, Security Developments in the Thailand-Burma Borderlands, University of Sydney Printing Service (Australian Mekong Resource Centre, working paper no. 9), October 2003, p. 12.

See [http://www.mekong.es.usyd.edu.au/publications/working\\_papers/wp9.pdf](http://www.mekong.es.usyd.edu.au/publications/working_papers/wp9.pdf)

<sup>37</sup> Li Chenyang "Forgotten ethnicity: Rohingya", *World Affairs*, no. 7, 2009, p. 33.



## 2.2 The Demographics and Status of Burmese in the World

At present time, Burmese people migrating abroad primarily live in Thailand, Singapore, Bangladesh, Malaysia, Japan, and Britain, while most of them are in Thailand and Bangladesh. There are about 1.5–2 million Burmese in Thailand and about 260,000 Rohingyas in Bangladesh<sup>38</sup> (the military junta disavows they are minorities of Myanmar<sup>39</sup>); about 50,000 in Singapore; 20,000 in Tokyo, Japan.<sup>40</sup> According to a census of Britain in 2001, the number of Burmese in Britain is 9,924.<sup>41</sup> The counterparts in America mainly live in Fort Wayne, Hoosier State, and in Northeast city.<sup>42</sup>

## 2.3 The Status of Burmese in the World

Generally, the status of Burmese in other countries is not high due to many reasons. First, they work on jobs that local people are not willing to take. Take those in Japan for example. They are working in restaurants, shops, construction sites, or as family servants.<sup>43</sup> Second, their salary is also lower than the citizen of those countries. The migrant workers in Thailand are the best example reflecting the status of Burmese migrating abroad. They earn less than half of the Thai minimum wage.<sup>44</sup> Two research teams have conducted a survey on 528 random migrant workers from Myanmar in Mae Sot and Chiang Mai, 286 of which are in Mae Sot and 242 are in Chiang Mai. The finding was that their wages were lower than that of the Thais, but the wages of migrant workers in Chiang Mai were higher than the migrant workers' wages in Mae Sot.<sup>45</sup> They take up the jobs

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<sup>38</sup> "Illegal Burmese migrants in Bangladesh", <http://www.sina.com.cn>.

<sup>39</sup> See [http://www.udnbnkk.com/article/2009/0228/article\\_50015.html](http://www.udnbnkk.com/article/2009/0228/article_50015.html)

<sup>40</sup> Phanida "Burmese In Japan Protest Against Draft Constitution", <http://www.Mizzima.com/component/content/article/5-regional/238-burmese-in-japan-protest-against-draft-constitution.html>, Thursday, 28 February 2008.

<sup>41</sup> "Country-of-birth database", *Organisation for Economic Co-operation and Development*. <http://www.oecd.org/dataoecd/18/23/34792376.xls>. Retrieved on 2008-09-20.

<sup>42</sup> "Burmese newcomers not refugees, but America's new immigrants", <http://www.news-sentinel.com/apps/pbcs.dll/article?AID=/20081007/EDITORIAL/810070329>

<sup>43</sup> Phanida "Burmese In Japan Protest Against Draft Constitution", <http://www.mizzima.com/component/content/article/5-regional/238-burmese-in-japan-protest-against-draft-constitution.html>, Thursday, 28 February 2008.

<sup>44</sup> Awatsaya Panam, Khaing Mar Kyaw Zaw, Therese Caouette, and Sureeporn Punpuing, "Migrant Domestic Workers: From Burma to Thailand", in *Transborder Issues in the Greater Mekong Sub-region*, edited by Suchada Thaweesit Peter Vail Rosalia Sciortion, The Mekong Sub-region Social Research Center, January 2008, p. 315.

<sup>45</sup> Awatsaya Panam, Khaing Mar Kyaw Zaw, Therese Caouette, and Sureeporn Punpuing, "Migrant Domestic Workers: From Burma to Thailand", in *Transborder Issues in the Greater Mekong Sub-region*, edited by Suchada Thaweesit Peter Vail Rosalia Sciortion, The Mekong Sub-region Social Research Center, January 2008, p. 316, Table 1.

which the Thais are not willing to undertake, such as temporary jobs in farms, factories, and building sites. In addition, their work conditions are also brutal. In September 2006, Thai authorities raided a seafood processing factory where there were 500 Burmese migrant workers. Some of them said that they had been there for nearly six or seven years. A majority of them had been tortured and prevented from leaving the factory premises.<sup>46</sup>

Besides, there are ten categories of status assigned to people from Myanmar living in Thailand.<sup>47</sup> To demonstrate the status of Burmese migrants in Thailand, we must define “refugee” first. According to “Convention Relating to the Status of Refugees” adopted in a conference on solving the status of refugees without nationalities in United Nations General Assembly in 1951, refugees are persons who have a well-founded fear of persecution on the basis of race, religion, nationality, political opinion, or membership in a particular social group and live abroad, and dare not return homeland.<sup>48</sup> Nevertheless, the Thai government adopted another definition that does not comply with international law and excludes large numbers of Burmese refugees from protection.<sup>49</sup> Due to the law, most migrants and labour migrants do not have refugee status but are illegal migrants. Based on USCRI estimation, over 260,000 have fled.<sup>50</sup> “The camp-based refugees are being helped by some NGOs. The Coordinating Committee for Services to Displaced Persons in Thailand (CCSDPT) functions as an umbrella organization for all non-governmental organizations.”

In conclusion, in order to survive, the Burmese migrants in Thailand have become marginalised in the economy, and have been exploited as low-cost labour. Not only are they afraid to be repatriated, but they are also blackmailed and extorted, and usually become the victims of political struggles. In 1997, the unemployment rate became high because of economic crisis. The great number

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<sup>46</sup> Sandee Pyne, *Migration Knowledge: Schooling, Statelessness and Safety At the Thailand-Burma Border*, Dissertation submitted to the Faculty of the Graduate School of the University of Maryland, College Park, in partial fulfilment of the requirements for the degree of Doctor of Philosophy 2007, p. 88–89.

<sup>47</sup> *Ibid.*, p. 96–97.

<sup>48</sup> *Ibid.*, p. 85.

<sup>49</sup> *Out of Sight, Out of Mind: Thai Policy Toward Burmese Refugees*, Human Rights Watch, 2004, New York. Quoted from Sandee Pyne, *Migration Knowledge: Schooling, Statelessness and Safety At the Thailand-Burma Border*, Dissertation submitted to the Faculty of the Graduate School of the University of Maryland, College Park, in partial fulfilment of the requirements for the degree of Doctor of Philosophy 2007, p. 85.

<sup>50</sup> World Refugee Survey, 2004. Quoted from Sandee Pyne, *Migration Knowledge: Schooling, Statelessness and Safety At the Thailand-Burma Border*, Dissertation submitted to the Faculty of the Graduate School of the University of Maryland, College Park, in partial fulfilment of the requirements for the degree of Doctor of Philosophy 2007, p. 84.

of illegal migrants was taken as arch-criminals by some Thais. They thought the migrants were a threat to the Thai labour market and the stable life of Thais. The government took measures to arrest and deport illegal migrants. According to the Safety Committee of Thailand, the number of arrested migrants was respectively 298,480, 319,629, and 444,636 from 1998 to 2000.<sup>51</sup>

## **2.4 The Implications on Destination Countries and Myanmar of Burmese Migrants**

### **2.4.1 The Influence on Destination Countries of Overseas Burmese**

#### **2.4.1.1 Economical Influence**

So many Burmese people who migrate abroad make great contributions to the economical development of destination countries as low-cost labour. From 1970s to early 1990s, the Burmese migrants made an outstanding contribution to the "economy miracle" of Thailand; the Burmese in America have contributed to Fort Wayne's economy as taxpayers, homeowners, college students, and voters.<sup>52</sup>

#### **2.4.1.2 Political Influence**

Burmese abroad are concerned about the political development of Myanmar. They support democracy campaigns and condemn military junta, and they appeal to the destination countries to care about Myanmar and help in order to isolate the military junta. Their conducts put a pressure on destination countries. On September 28, 2007, when the Saffron Revolution occurred in Myanmar, hundreds of Burmese in Malaysia assembled outside the Burmese Embassy in Malaysia to show their support for the peaceful demonstration and protests in Rangoon and other cities in Myanmar for democracy change. Meanwhile, they also assembled around the Chinese and Russian embassies appealing to China and Russia to put pressure on military junta.<sup>53</sup> On October 7, 2007, approximately 400 Burmese in Singapore condemned the violent conducts of the military junta and prayed for the victims in the repression in "Mini Myanmar" organised by "Burmese patriots abroad".<sup>54</sup> Although the conducts of Burmese

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<sup>51</sup> Mika Toyota, "Securitizing border-crossing: The case of marginalized stateless minorities in the Thai-Burma Borderlands", January 2006.

<sup>52</sup> "Burmese newcomers not refugees, but America's new immigrants", <http://www.news-sentinel.com/apps/pbcs.dll/article?Aid=/20081007/Editorial/810070329>

<sup>53</sup> "Support Democratic Campaign, Hundreds of Burmese in Malaysia demonstrate", <http://www.coolloud.org.tw/node/9191>, September 28, 2007.

<sup>54</sup> Hong Yijing, "400 Burmese assemble peacefully", <http://www.zaobao.com/>, October 7, 2007.

abroad played an insignificant role in the political development of Myanmar, it forms an international pressure on destination countries. Second, most Burmese abroad are taken as illegal migrants. It is difficult for destination countries to administrate them and it is a threat to social stability. Therefore, a great number of Burmese refugees migrating into Thailand have become a heavy burden for Thailand, especially the diffusion of refugees who are not controlled by the Thai government, who seem to be the largest threat to the stability and safety of Thailand, because it spreads some social problems, such as illegal labour, violence, infectious diseases, drug-trafficking, smuggling, and sexual service.

## 2.4.2 The Influence on Myanmar of Burmese Abroad

### 2.4.2.1 Positive influence

For many developing countries like Myanmar, the remittances that their citizens send from abroad constitute a larger source of foreign exchange than international trade, aid, or foreign investment.<sup>55</sup> First, remittance directly alleviates the poverty of the individuals and households in Myanmar to whom they are sent, forming a relatively stable source of income independent of the local economy of recipient families. Unlike other financial flows to developing countries that stream through government agencies and NGOs, remittance payments are precisely targeted to the needs and desires of their receivers. It is not aid agencies or governments that decide when, where, or why remittance incomes are spent, but the recipients themselves.<sup>56</sup> Remittance income does not just benefit individual recipients, but the local and national economies in which they live. Indeed, the spending allowed by remittances has a multiplied effect on local economies—as funds subsequently spent create incomes for others, and stimulates economic activity generally.<sup>57</sup> According to the IMF, official worker remittances to Burma totalled USD56.8 million in 2004.<sup>58</sup> Besides official data, the remittances via informal payment mechanisms of various types are likely to be three to

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<sup>55</sup> Sean Turnell, Alison Vicary and Wylie Bradford, “Migrant Worker Remittances and Burma: An Economic Analysis of Survey Results”, *Burma Economic Watch*, Macquarie University, Sydney, Australia, p. 2.

<sup>56</sup> Sean Turnell, Alison Vicary and Wylie Bradford “Migrant Worker Remittances and Burma: An Economic Analysis of Survey Results”, *Burma Economic Watch*, Macquarie University, Sydney, Australia, p. 3.

<sup>57</sup> Mariano Sana and Douglas S. Massey, “Household Composition, Family Migration, and Community Context: Migrant Remittances in Four Countries”, *Social Science Quarterly*, Volume 86, Number 2, June 2005, p.509.

<sup>58</sup> Sean Turnell, Alison Vicary and Wylie Bradford, “Migrant Worker Remittances and Burma: An Economic Analysis of Survey Results”, *Burma Economic Watch* Macquarie University, Sydney, Australia, p. 2.

four times the official flows.<sup>59</sup> The existence of remittances is a lifeline that permits the survival of many thousands of families in Myanmar; it is even an important stimulus factor in the economic development of receiving countries. For this reason, impacted by economic crisis, since December of 2008 to March of 2009, many Burmese workers began to return to Myanmar; the number was no less than 10,000.<sup>60</sup> Meanwhile, most Burmese migrant workers are in member countries of ASEAN, such as Singapore, Malaysia, Thailand, and so on, which have also been affected by the economic crisis. Therefore, the Burmese migrant workers in these countries are not able to provide as many remittances as last year,<sup>61</sup> which directly influences the basic income source of receivers.

#### 2.4.2.2 Negative influence

Most Burmese migrants are refugees and illegal migrants, bringing about a negative influence on Myanmar's international image. The military junta is always condemned by Western countries and taken as the prototype of anti-democracy. That so many Burmese migrate to other countries is another excuse for Western countries to criticise Myanmar's military junta. The military junta's administrative ways have often been criticised and has prompted many to flee to other countries because they are unable to survive in Myanmar.

## **Conclusion**

Before 1988, the history of immigrants of Myanmar could be divided into six stages, along with the tide of Burmese history and alternation of administrations' migration policies. The Chinese, Indians, and Japanese flowed into Myanmar with the colonial governances of the British and Japanese. They made a great contribution to Myanmar's economic and social development and urbanisation. However, so many immigrants posed somehow negative influence on Myanmar.

After 1988, with the development of Sino-Myanmar bilateral relations, business opportunities drove many Chinese to immigrate into Myanmar, they made a great contribution to Myanmar. Meanwhile, the illegal Chinese migrants cause a negative influence on Chinese international image, which might be a negative factor to the development of Sino-Myanmar relations.

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<sup>59</sup> Ibid.

<sup>60</sup> "The Number of Burmese Workers Return From Other Countries is Over Ten Thousand", *Weekly Eleven*, March 11, 2009.

<sup>61</sup> "The Remittance of Burmese Migrants Workers decreased shaply", *Myanmar Times*, March 18, 2009.

Since Myanmar is still ruled by the military junta at present, it suffers many setbacks resulting from the military junta's ruling. Tens of thousands of Burmese people are forced to emigrate due to this. Only a small number of the Burmese expatriates are legal immigrants. Most of them have declined to be refugees in their resident countries, lacking of basic necessities for living. A large number of immigrants bring economic benefits to the country of residence and Myanmar, but also has a negative impact on them as well. It is a very difficult task for the destination countries to manage the large scale of illegal Myanmar migrant workers. At the same time, the existence of large numbers of refugees has resulted in international pressure on both their resident countries and Myanmar.

# **Sino-Myanmar Relations**





# The Changing Discourse on China-Myanmar Bilateral Relations

*K. Yhome<sup>1</sup>*

## Introduction

This paper attempts to examine the changing discourse on China-Myanmar relations and identify the factors that have shaped our understanding of the ties between the two countries. In doing so, the paper demonstrates how Myanmar is not a “strategic pawn” of China by analysing its foreign policy responses aimed at reducing dependence on China. In a way, the paper therefore analyses the basis of our understanding of the current China-Myanmar relations and examines why a particular understanding of China-Myanmar ties emerged in the 1990s. Hence, by analysing China-Myanmar relations, the paper aims to provide an alternative understanding of the relationship.

The paper argues that the current understanding of Myanmar-China relations has been seen largely through the prism of the “China threat” theory. The rise of China has been accompanied by various regional and international policy responses and our understanding of Myanmar-China ties has been framed within these responses. Interest groups including Myanmar’s opposition groups also contributed in strengthening this understanding of the relationship. One of the policy implications of this understanding was that we had, unwittingly, limited Myanmar’s strategic options. However, this kind of understanding has its own limitations as it fails to take into account Myanmar’s perceptions of China and its views on the relationship with China. This framework also limits our understanding of the contradictions that exist in Myanmar-China relations and tend to underestimate Myanmar as a player in the bilateral relationship. The paper argues that Myanmar has been playing an active role in shaping its ties with China. This paper discusses the dynamics of the relationship from Myanmar’s perspective.

It may be pointed out at the outset that this study is exploratory in nature and the observations made here are preliminary conjectures. The observations are drawn from Myanmar’s foreign policy behaviour. Based on the preliminary observations, the paper provides some policy implications for Myanmar and the region.

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<sup>1</sup> K. Yhome, Associate Fellow at the Centre for International Relations, Observer Research Foundation, in New Delhi, India.

## The Changing Discourse

For over a decade or so, two diametrically opposite schools of thought dominated the discourse on China-Myanmar relations. The first school of thought claims that Myanmar has become a “client state” of China by basing its argument on the dependency theory.<sup>2</sup> Myanmar’s huge economic and military dependence on China was seen as a typical case of a patron-client relationship. The second school of thought claimed that Myanmar is not a “strategic pawn” of China. This school emerged as a critic to the first school of thought. Its argument is based on Myanmar’s history that was characterised by anti-imperialist and anti-colonial struggle and the strong sense of nationalism of the Burmese who have exhibited xenophobic tendencies in the past. This school maintains that these nationalistic factors would ensure Myanmar resist becoming a “client state” of China. Scholars like Shee Poon Kim,<sup>3</sup> Ian Storey,<sup>4</sup> and Chenyang Li<sup>5</sup> have argued that Myanmar was not a strategic pawn of China, while Denny Roy maintained a more nuanced position.<sup>6</sup>

Since the current Myanmar’s military regime strengthened relations with China in the early 1990s, Myanmar’s China connection was viewed by many with concern, primarily because of China’s rapid economic and military growth and the possible implications the strong relationship could have in the region. Myanmar, along with other regional countries such as Pakistan, emerged strategically important for China to achieve its geopolitical and strategic objectives in the region. Viewed from a geopolitical perspective, Myanmar’s location, that it lies at the heart of China’s strategic interests, and in the context of Myanmar’s increasing

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<sup>2</sup> For a discussion of the conceptual framework of dependency theory in international relations see Christopher P. Carney, “International Patron-Client Relationships: A Conceptual Framework”, *Studies in Comparative International Development*, Summer 1989, vol. 24, no. 2, pp. 42–55.

<sup>3</sup> Shee Poon Kim, “The Political Economy of China-Myanmar Relations: Strategic and Economic Dimensions”, *Ritsumeikan Annual Review of International Studies*, vol. 1, 2002, pp. 33–53.

<sup>4</sup> Ian Storey, “Burma’s Relations with China: Neither Puppet nor Pawn”, *China Brief*, vol. 7, issue 3, (9 May, 2007 ([http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=4029](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=4029)))

<sup>5</sup> Chenyang Li, “Myanmar/Burma’s Political Development and China-Myanmar Relations in the Aftermath of the ‘Saffron Revolution’”, in Xiaolin Guo, (Ed.) *Myanmar/Burma: Challenges and Perspectives*, Institute of Security and Development Policy, Stockholm-Nacka, 2008.

<sup>6</sup> Explaining why Myanmar’s China policy was not a case of bandwagoning, Denny Roy argues that: “What [Myanmar’s policy toward China] initially appears to be bandwagoning, however, must upon closer inspections be highly qualified. Historically, Myanmar tried to maintain equidistance between China and India. After the State Law and Order Council (SLORC) military junta took control of the country’s government in 1988, sanctions imposed by the United States and the European Union forced the regime to turn to China for diplomatic support and for the cheap supplies of arms and ammunition the junta needs to keep itself in power. Since then Myanmar has become something of a Chinese client state, although many of Myanmar’s elite

ties with China was interpreted as Myanmar's turning into a pawn in Beijing's "grand strategy". The growing economic and military interactions between China and Myanmar and the increasing dependence of Myanmar on China's military supplies, trade, and investments, further bolstered the argument. By the mid-1990s, many began to view Myanmar as a "client state" of China.

By the turn of the century, two debates emerged on China-Myanmar relations. One that questioned the claim that Myanmar was a "client state" of China and the other debate centred on China-India rivalry for influence and resources in Myanmar. There is now a debate that India could emerge as a strong contender to China in Myanmar in the future. In recent years, the India factor in China-Myanmar relations has been gaining ground and indications are that Beijing has begun responding to "India's growing strategic influence" in Myanmar.<sup>7</sup>

## Factors that Have Shaped Our Understanding

### The "China Threat" Theory

For about two decades or so, the rise of China has been the dominant theme in Asia. Scholars in South, Southeast, and East Asia, in particular, have focused on theorising the strategic responses to the rise of China of regional countries and groupings that ranges from "strategic balancing" to "strategic hedging."<sup>8</sup>

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have concluded that their country has grown too close to China, with the consequence that in recent years (with China more powerful than ever) Yangon has sought to improve its relations with India and its economic links with Japan to partly offset the over-reliance on the PRC. Even in this case, where we find close security cooperation, there is also an element of hedging. If the evidence does not suggest a determination by Myanmar's government that aligning itself with the Chinese is necessary to protect itself from the threat of a powerful China, we cannot conclude that this is a case of bandwagoning for survival. Furthermore, Yangon cannot be said to have 'joined the winning side' if Myanmar had no real opportunity to choose sides." See Denny Roy, "Southeast Asia and China: Balancing or Bandwagoning?" *Contemporary Southeast Asia*, vol. 27, no. 2 (2005), pp. 305–322.

<sup>7</sup> See Zhao Hong, "China and India Courting Myanmar for Good Relations", *EAI Background Paper*, no. 360, East Asian Institute, Singapore (<http://www.eai.nus.edu.sg/BB360.pdf>); and Dali Yang and Zhao Hong, "The Rise of India: China's Perspectives and Responses", paper presented at the Third International Conference on South Asia "Socio-political and Economic Challenges for South Asia," Meritus Mandarin, Singapore, October 25, 2007. To be published in volume edited by the Institute of South Asian Studies ([http://www.daliyang.com/files/Yang\\_and\\_Zhao\\_The\\_Rise\\_of\\_India-china\\_s\\_perspectives\\_and\\_reponse.pdf](http://www.daliyang.com/files/Yang_and_Zhao_The_Rise_of_India-china_s_perspectives_and_reponse.pdf))

<sup>8</sup> See for instance, Denny Roy, "Southeast Asia and China: Balancing or Bandwagoning?" *Contemporary Southeast Asia*, vol. 27, no. 2 (2005), pp. 305–322. Also see Nobuto Yamamoto, "Southeast Asia: A New Regional Order", Center for Strategic and International Studies, Washington DC, ([http://www.csis.org/media/csis/pubs/090201\\_bsa\\_yamamoto.pdf](http://www.csis.org/media/csis/pubs/090201_bsa_yamamoto.pdf)); Sukhee Han, "The Rise of China, Power Transition and Korea's Strategic Hedging", paper presented at the International Conference on "China's Future: Pitfalls, Prospects and the Implications for ASEAN and the World", Institute of China Studies, University of Malaya, 5–6 May 2009 (<http://ccm.um.edu.my/umweb/ics/may2009/hansh.pdf>); and Kuik Cheng-Chwee, "The Essence of Hedging: Malaysia and Singapore's Response to a Rising China," *Contemporary Southeast Asia*, vol. 30, no. 2, (2008), pp. 159–85.

Myanmar's relations with China in the 1990s coincided with the latter's rise politically, economically, and militarily in the global arena.<sup>9</sup> China's rapid rise set off concerns in the region and also globally. The rise of China has, to a large extent, overshadowed our understanding of Myanmar-China relations. China-Myanmar relations were seen through the lens of the rise of China and this refracted our view of Myanmar's policy behaviour. China, of course, has rejected any such threat from its rise but the issue remains a matter of debate among scholars. Without going into that debate, this paper attempts to explain how the "China threat" theory—real or perceived—has shaped our understanding of China-Myanmar relations.

The "China threat" theory<sup>10</sup> has led to the emergence of various other theories such as China's "string of pearls"<sup>11</sup> and "strategic containment".<sup>12</sup> Within

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<sup>9</sup> There are a plethora of studies surrounding China's international rise and its political, economic, security, and diplomatic implications. For instance, see Keller, William and Thomas Rawski, eds. *China's Rise and the Balance of Influence in Asia*, Pittsburgh: University of Pittsburgh Press, 2007; Jonathan D. Pollack and Richard H. Yang (Eds.), *In China's Shadow: Regional Perspectives on Chinese Foreign Policy and Military Development*, Washington DC, Rand, 1998; Srikanth Kondapalli, "The Rise of China & Implications to Asia", paper presented to the Special Session "The Impact of the Rise of China on Asian Democratization", at the First Biennial Conference 15–17 September 2005 International Convention Centre Taipei, Taiwan (<http://www.wfda.net/UserFiles/File/speeches/Kondapalli.pdf>); Zhang Xiaoming, "The Rise of China and Community Building in East Asia", *Asian Perspective*, vol. 30, no. 3, 2006, pp. 129–148 (<http://www.irchina.org/en/pdf/zxm06.pdf>); Carolyn W. Pumphrey, ed., *The Rise of China in Asia: Security Implications*, January 2002, Strategic Studies Institute (<http://www.strategicstudiesinstitute.army.mil/pdf/files/pub61.pdf>); Michael D. Swaine, "Managing China as a Strategic Challenge", in Ashley J. Tellis, Mercy Kuo, and Andrew Marble, eds., *Challenges and Choices*, Strategic Asia 2008–2009, Washington DC: The National Bureau of Asian Research, 2008.

<sup>10</sup> For a critique on the "China threat" theory, see Khalid R. Al-Rodham, "A Critique of the China Threat Theory: A Systematic Analysis", *Asian Perspectives*, vol. 31, no. 3, 2007, pp. 41–66 (<http://www.asianperspective.org/articles/v31n3-b.pdf>). Also see Jiang Ye, "Will China be a 'Threat' to Its Neighbors and the World in the Twenty First Century?", *Ritsumeikan Annual Review of International Studies*, vol. 1, 2002, pp. 55–68 (<http://www.ritsumei.ac.jp/acd/cg/ir/college/bulletin/e-vol1/1-4jiang.pdf>); and Bertrand Ateba, "Is the Rise of China a Security Threat?", *Polis / R.C.S.P. / C.P.S.R.* vol. 9, Numéro Spécial, 2002 (<http://www.polis.sciencespo-bordeaux.fr/vol10ns/ateba.pdf>).

<sup>11</sup> The phrase "String of Pearls" was first used to describe China's emerging maritime strategy in a report titled *Energy Futures in Asia* by defence contractor, Booz-Allen-Hamilton. This report was commissioned in 2005 by the US Department of Defense's Office of Net Assessment. See Christopher J. Pehrson, *String of Pearls: Meeting the Challenge of China's Rising Power across the Asian Littoral*, Carlisle, PA: Strategic Studies Institute, U.S. Army War College, July 2006 (<http://www.strategicstudiesinstitute.army.mil/pdf/files/PUB721.pdf>). Also See Sudha Ramachandran "China's Pearl in Pakistan's waters", 4 March, 2005, ([http://www.atimes.com/atimes/south\\_asia/gc04df06.html](http://www.atimes.com/atimes/south_asia/gc04df06.html))

<sup>12</sup> The term "strategic containment" has been used by scholars in different geopolitical contexts around the globe. For the purpose of this paper, the term is used at the regional level and refers to China-India geopolitical competition. Strategists from India and others have argued that China's strategy is to "contain" India and to tie it down to South Asia and the China's "string of pearls" strategy is seen as Beijing's developing close allies with countries in the region including Pakistan and Myanmar to "encircle" India.

this framework, Myanmar has been conveniently seen as a “pawn” in Beijing’s “grand strategy”. For instance, Myanmar has been seen as one of the “pearls” in China’s “string of pearls” strategy.<sup>13</sup> While China’s growing influence in the region is not without strategic implications, viewing Myanmar-China bilateral ties through the prism purely of the rise of China may not provide a complete picture of the relationship between the two countries.

In the 1990s, there were wide-spread reports that Myanmar had allowed China to build a naval base in Myanmar’s Coco Island in the Andaman Sea. By mid-2000s, important visits to the island supported by new analysis revealed that there was no Chinese military base in Myanmar’s Coco Island.<sup>14</sup> Similar is the case with the “Irrawaddy corridor” proposal, which was also seen as a strategic route for China to reach the Indian Ocean, if developed. However, these reports were not corroborated by credible evidence on the actual existence or on the status of the project.<sup>15</sup>

Overwhelmed by the China threat argument, the main line of enquiry focused on how China would benefit from its strategic ties with Myanmar, particularly, in furthering its strategic objectives in Southeast Asia and the Indian Ocean region. While China undoubtedly has long-term strategic interests in Myanmar, to the detriment of normal interest in building up ties with neighbours, including markets, access to oil and gas, etc., largely, Myanmar’s Chinese connection has been over emphasised and Myanmar’s long standing connections with other countries including India, ASEAN countries, Russia, Pakistan, etc., have been seen without much interest. A consequence of this was that China-Myanmar ties were seen as the only active ties that Myanmar had with the outside world.

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<sup>13</sup> The other “pearls” in South Asia are Pakistan, Maldives, Sri Lanka, and Bangladesh. See Gurpreet S. Khurana, “China’s ‘String of Pearls’ in the Indian Ocean and its Security Implications”, *Strategic Analysis*, vol. 32, no. 1, January 2008, pp. 1–39. See also Christopher J. Pehrson, “String of Pearls: Meeting the Challenge of China’s Rising Power across the Asian Littoral”, Strategic Studies Institute, July 2006 (<http://www.strategicstudiesinstitute.army.mil/pdf/files/PUB721.pdf>)

<sup>14</sup> See Andrew Selth, “Chinese Military Bases in Burma: The Explosion of a Myth”, *Regional Outlook Paper*, no. 10, 2007 ([http://www.griffith.edu.au/\\_data/assets/pdf\\_file/0018/18225/regional-outlook-andrew-selth.pdf](http://www.griffith.edu.au/_data/assets/pdf_file/0018/18225/regional-outlook-andrew-selth.pdf))

<sup>15</sup> Ibid. According to an observer, the proposal could not materialise “because China’s request for exemption from custom duty offended the Myanmar leadership’s insistence on national sovereignty” in 2003. Some observers say the proposal was rejected by Myanmar as early as 2001. See Trevor Wilson, “Foreign policy as a political tool: Myanmar 2003–2006”, in Monique Skidmore and Trevor Wilson (eds.) *Myanmar: The State, Community and the Environment*, Canberra: ANU Asia Pacific Press, 2007, p. 88 (<http://epress.anu.edu.au/myanmar/pdf/ch05.pdf>); and Chenyang Li, “Myanmar/Burma’s Political Development and China-Myanmar Relations in the Aftermath of the ‘Saffron Revolution’”, in Xiaolin Guo, (Ed.) *Myanmar/Burma: Challenges and Perspectives*, Institute of Security and Development Policy, Stockholm-Nacka, 2008, p. 120.

## Interest Groups

It may be pointed out here that Myanmar's pro-democracy groups' anti-regime campaigns both inside and outside the country have also contributed in seeing China-Myanmar relations in a particular manner. China's economic and military support to the military regime had a considerable impact on the internal political equation between the military regime and the opposition groups.<sup>16</sup> These anti-regime groups see China's support to the military regime as directly against their interests. The result has been that the pro-democracy groups have on several occasions targeted Beijing for its support to the military government.<sup>17</sup> These campaigns have also contributed in strengthening our understanding of China-Myanmar relations through the prism of the "China threat" theory.

## Myanmar's Policy Response

A year after the 1988 pro-democracy crackdown in Myanmar, the Tiananmen incident took place in China. The Western world took a strong position against both countries. In the face of Western sanctions and isolation on human rights issues, China and Myanmar grew closer. It was thought that China and Myanmar were "natural allies". Though in China-Myanmar relations, the latter was obviously the weaker partner, the presumption that Burma would always comply with Beijing's diktats was questionable. When we examine China-Myanmar relations taking into account Myanmar's policy behaviour and its views and perceptions on China and its bilateral relations, we get a different picture of the relationship between the two countries.

Historically, Myanmar has been highly suspicious of its northern neighbours. The war against the Kuomintang forces in northern Myanmar in the 1950s, the long fight with Chinese-backed communist insurgents, and the anti-Chinese riots

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<sup>16</sup> N. Ganesan argues that China-Myanmar bilateral relationship also has "a number of areas where relationship is regarded as potentially injurious to Myanmar. Chief among such concerns is the fear that diplomatic and moral support and weapon sales by China have significantly altered the size and capability of the Myanmar military, significantly leveraging it *vis-à-vis* other social forces and made the process of domestic political reconciliation much more difficult. In other words, the distributive impact of the positive relationship is highly skewed in favour of the military. There are also fears relating to perceptions of Myanmar's overly close alignment with China on economic and political matters, both domestically and externally. Domestically, there is some evidence of unease among residents along the border areas regarding the pervasive impact of China in terms of overwhelming the domestic population and culture." See N. Ganesan, "Myanmar's Foreign Relations: Reaching out to the World", in Kyaw Yin Hlaing, Robert H. Taylor, and Tin Maung Maung Than, eds. *Myanmar: Beyond Politics to Societal Implications*, Singapore: Institute of Southeast Asian Studies, 2005, p. 38.

<sup>17</sup> On several occasions pro-democracy supporters have staged protests in front of Chinese embassies in various capitals demanding the Chinese government to stop its support to the military regime and to put pressure on the regime for political reforms.

in the 1960s are instances of how Myanmar has shaped its policy towards China in the initial years after its independence. In fact, some observers have suggested that the “principle of neutrality” in Myanmar’s foreign policy in the 1950s was adopted primarily to keep its giant northern neighbours away from its internal affairs.<sup>18</sup>

Since its independence, Myanmar’s foreign policy has been guided by a strong sense of anti-imperialism and anti-colonialism which led to the formulation of non-alignment as a core principle in its foreign policy. The first democratic government under U Nu strictly adhered to the non-aligned principle in dealing with the outside world. The early realisation that the country does not have much control over international affairs, the humiliating colonial experience, and the ravage caused by World War II just before the country’s independence in 1948 informed the political elite of the need to maintain a low profile in international politics and stay out of major power politics. However, the country was dragged into Cold War politics as early as the 1950s. In 1962, when the military took over power, the new military government continued the principle of its predecessor.

It may be argued that in the absence of any viable alternative, Myanmar moved closer to China in the early 1990s, but the Myanmar leadership was aware of the possible dangers of being too close to China. China’s inroads into Myanmar were possible primarily because the West, led by the US and other regional countries including India and Japan, chose not to engage the military regime soon after the aftermath of the 1988 pro-democracy crackdown. It was only towards the end of the 1990s that regional countries took a reverse turn by adopting a more pragmatic policy towards Myanmar.<sup>19</sup>

The rapid strategic penetration of China into Myanmar, after 1988, necessitated regional countries to step up their engagements with the Myanmar generals.<sup>20</sup> The regional policy fitted in well with Myanmar’s own desire to diversify its engagement both to reduce its dependence on China and to maintain its policy of equidistance between its giant neighbours—India and China. The result of this showed in the late 1990s when Myanmar joined ASEAN and other sub-regional groupings such as BIMSTEC, Greater Mekong Subregion, Ganga-

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<sup>18</sup> See Ralph Pettman, “China in Burma’s Foreign Policy”, *Contemporary China Papers*, no. 7, ANU, 1973; and Bertil Lintner, “Burma and its Neighbours”, paper presented at a conference in February 1992 at the Nehru Memorial and Library, New Delhi, ([http://www.asiapacificms.com/papers/pdf/burma\\_india\\_china.pdf](http://www.asiapacificms.com/papers/pdf/burma_india_china.pdf))

<sup>19</sup> Many scholars have argued on this line, for instance, see Shee Poon Kim, “The Political Economy of China-Myanmar Relations: Strategic and Economic Dimensions”, *Ritsumeikan Annual Review of International Studies*, vol. 1, 2002, pp. 33–53; and Sheng Lijun, “China’s Influence in Southeast Asia”, *Trends in Southeast Asia Series*, ISEAS, Singapore, no. 4, 2006.

Mekong Cooperation, BCIM or Kunming Initiative, and SAARC. The regime not only consolidated its ties with neighbours but also built new ties. The primary motivation of Myanmar's political elite to diversify its ties was to reduce its reliance on China and open up alternative options. This was made possible in the late 1990s, with the positive responses of the regional countries which were trying to woo Myanmar away from China, and Myanmar was quick to take advantage of the opportunities.

To what extent Myanmar has succeeded in steering a balanced foreign policy is a matter of debate, but it can be argued with some degree of certainty that Myanmar has been quite successful in playing a balancing act in dealing with its major neighbours. One of the strategies of Myanmar has been to use its rich natural resources and strategic infrastructural development projects as assets in dealing with its major neighbours. Whether in the energy sector or in developing infrastructural projects including ports, roads, and pipelines, Myanmar's strategy has been to appease its major neighbours in a balanced way.

Myanmar's independent foreign policy has been stressed in most of the statements of the Myanmar leadership.<sup>21</sup> Myanmar's overall strategy has been to play a strategic balancing act with its giant neighbours by adopting a "never too close, never too far" strategy. It has been argued that "China is developing such a hold on Burma's economy and armed forces that it will constrain the Rangoon regime's ability to act independently in the future."<sup>22</sup> Myanmar's policy behaviour, both internally and externally, suggest however that its actions are driven by national interest. It has also been argued that "neither ASEAN nor India can compete with China either in providing military assistance or in offering trade

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<sup>20</sup> N. Ganesan argues that regional countries felt that "a strong bilateral relationship between China and Myanmar will tilt the regional balanced of power in China's favour. India, Thailand, and ASEAN countries in general, especially those with external threat perceptions pointing in the direction of China like Indonesia and Vietnam, have been uncomfortable with the relationship. In fact, some analysts have suggested that extending ASEAN membership to Myanmar was meant to partially stave off the threat arising from a strong China-Myanmar bilateral relationship. Generally, however, the current trajectory of the positive bilateral relations is set to continue." See N. Ganesan, "Myanmar's Foreign Relations: Reaching out to the World", in Kyaw Yin Hlaing, Robert H. Taylor, and Tin Maung Maung Than, eds. *Myanmar: Beyond Politics to Societal Implications*, Singapore: Institute of Southeast Asian Studies, 2005, p. 38.

<sup>21</sup> For instance, Than Shwe's message on the country's 57th anniversary of their Independence Day in 2005 stated: "In *constant* exercise of the independent and active foreign policy alongside the five principles of peaceful coexistence, Myanmar *always* sheers her course towards friendly relations with the world nations, especially with her neighboring countries." [Emphases added] (<http://www.mesingapore.org.sg/vol1no3.pdf>)

<sup>22</sup> Ashton William, "Burma Receives Advances from its Silent Suitors in Singapore", *Jane's Intelligence Review*, vol. 10, no. 3, March 1, 1998, p. 32 (<http://www.burmalibrary.org/reg.burma/archives/199803/msg00280.html>)



and investment benefits”.<sup>23</sup> However, recent trends suggest that regional countries have strengthened their military and economic ties with Myanmar and in fact Thailand is today the largest trading partner of Myanmar, while some believe that India’s growing interaction with Myanmar could surpass China’s influence in Myanmar in the future.<sup>24</sup>

Even as scholars theorise about regional responses, the discourse on China-Myanmar relations has been undergoing changes. In recent years, some scholars have asserted that Myanmar has adopted “hedging” or “counter-hedging” strategy to minimise its dependence on China.<sup>25</sup> For instance, the military regime continues the strategy of flirting with its major neighbours—India and China, and also Thailand—through reciprocal official visits or in appeasing them with infrastructural development projects. Myanmar has demonstrated that it does not consider itself an exclusive area of development for China. For instance, the three most influential neighbours are currently developing three ports in the country—Kyauk Phyu Port by China, Sittwe Port by India, and Dawei (or Tavoy) Port by Thailand. In the hydropower, and oil and gas sectors, Myanmar has entered into large deals with the three neighbours. Thailand is the only country buying natural gas from Myanmar today. Myanmar has committed its Shwe gas to China for thirty years. With new discoveries of gas reserves in Myanmar’s offshore blocks, it will not be surprising if the next gas project goes to India.

Ever since the rapprochement between Beijing and the SLORC/SPDC began in the early 1990s, there has been talk about some top generals being close to China. Many observers felt that the ousted former Myanmar’s intelligence chief Khin Nyunt was close to Beijing. In September 2004, the then prime minister Khin Nyunt was sacked along with many intelligence officers on charges of corruption.<sup>26</sup> This is again a pointer that Myanmar leadership has taken decisions based on its own perception of how to run the country. The decision of sacking Khin Nyunt must have surprised Beijing as it was kept in the dark.<sup>27</sup> After Khin Nyunt’s ouster, talks about some generals being close to China have also been toned down.

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<sup>23</sup> Mohan Malik, “Regional Reverberations from Regime Shake-up in Rangoon”, Asia-Pacific Center for Security Studies, vol. 4, Number 1, January 2005 (<http://www.apcss.org/Publications/APSSS/RegionalReverberationsfromRegimeShake-upinRangoon.pdf>)

<sup>24</sup> See for instance Zhao Hong, “China and India courting Myanmar for Good Relations”, *EAI Background Paper*, no. 360, East Asian Institute, Singapore (<http://www.eai.nus.edu.sg/BB360.pdf>).

<sup>25</sup> See Zhao Hong, “China and India Courting Myanmar for Good Relations”, *EAI Background Paper*, no. 360, East Asian Institute, Singapore (<http://www.eai.nus.edu.sg/BB360.pdf>).

<sup>26</sup> See Kyaw Yin Hlaing, “Myanmar in 1994: Another year of Uncertainty”, *Asian Survey*, Feb 2005, vol. 45, no. 1, pp. 174–179.

<sup>27</sup> Chenyang Li, “Myanmar/Burma’s Political Development and China-Myanmar Relations in the Aftermath of the ‘Saffron Revolution’”, in Xiaolin Guo, (Ed.) *Myanmar/Burma: Challenges and Perspectives*, Institute of Security and Development Policy, Stockholm-Nacka, 2008, p. 120.

It is true that India took advantage of Myanmar's diversification of its foreign policy, but Myanmar has exploited the China-India rivalry in its own interests. Myanmar's generals have on several occasions demonstrated that their domestic and foreign policies are guided by their own perceptions of the country's national interests. Some have argued that India has been the main beneficiary in Myanmar's strategy to minimise its dependence on China. According to some reports, Myanmar's growing closeness with India and Russia has annoyed Beijing.<sup>28</sup>

A closer assessment of Myanmar's foreign policy behaviour suggests that Myanmar has been charting an independent course in international affairs. On some critical regional and international issues, even when it meant differing with Beijing's stance, Myanmar's unilateral positions on important events has demonstrated its strong desire to drive its own policy direction and also to remind outside powers, including China, that it is a sovereign and independent state, and that its policies both domestic as well as external need to be respected. The nuclear tests conducted by India in May 1998 invited worldwide criticism and sanctions. China, along with other countries, reacted strongly to India's nuclear tests.<sup>29</sup> Myanmar took a strategic decision not to make any unwarranted statement against India's nuclear tests.<sup>30</sup> Again, as early as 2004, Myanmar made its support to India's bid for a permanent membership in the UNSC known during the visit of Sr. Gen. Than Shwe to India in line with its position for the need to restructure and reform the UN to make the international body more effective and one that reflects the ground realities.<sup>31</sup>

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<sup>28</sup> Ian Storey, "Burma's Relations with China: Neither Puppet nor Pawn", *China Brief*, vol. 7, issue 3, (9 May, 2007 ([http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=4029](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=4029)))

<sup>29</sup> For a discussion on the subject see Srikanth Kondapalli, "China's Response to Indian Nuclear Tests", *Strategic Analysis*, vol. 22, iss. 3, 1998, pp. 493–494.

<sup>30</sup> G. Parthasarathy, "More at Stake than Monks and Military in Myanmar", *The Hindu Business Line*, 27 October, 2007. Available at <http://74.125.153.132/search?q=cache:TDhbWldxin4J:www.thehindubusinessline.com/2007/10/18/stories/2007101850200800.htm+myanmar%27s+response+to+india%27s+nuclear+tests+1998&cd=10&hl=en&ct=clnk&gl=in>

<sup>31</sup> A Joint Statement issued on the occasion of the State Visit of H.E. Senior General Than Shwe, chairman of the State Peace and Development Council of the Union of Myanmar to India (25–29 October, 2004) stated: "The two sides also agreed that the United Nations had an important role to play in dealing with present-day challenges and, therefore, restructuring and reform of the United Nations in line with global realities was necessary. They were of the view that an expanded UN Security Council would give it greater legitimacy and enhance its effectiveness. The Myanmar side conveyed full support for India's bid for Permanent Membership of the UNSC." See Ministry of External Affairs, government of India, 29 October 2004. Available at <http://meaindia.nic.in/speech/2004/10/29js01.htm>

Of late, the increasing China's role in the littoral countries of the Indian Ocean has raised concern in the region. Bangladesh-Myanmar maritime boundary dispute has emerged as a potential source of conflict between the two countries. In November 2008, naval confrontation between Bangladesh and Myanmar was defused by Beijing's mediation. This was seen by analysts in India as a sign of China's increasing role in the Indian Ocean region and suggested that Beijing's role in India's own backyard was too close for New Delhi's comfort. It may be recalled that it was Dhaka that requested Beijing to mediate between the two countries and not Naypyitaw.

Because it was politically blacklisted by the Western countries, Myanmar took advantage of its ties with China to ease off sanctions and pressure from the West. Therefore, its strategy has not been a case of "bandwagoning"<sup>32</sup> as some seem to view Myanmar's China policy.

### **China's Role in Myanmar's National Reconciliation**

Debates on China's role in Myanmar's political crisis began a decade ago. By the turn of the century, some scholars began to explore the possible role China could play in Myanmar's national reconciliation.<sup>33</sup> However, the extent of Chinese influence over Myanmar remains to be debated. China is obviously sensitive to international criticism for being seen as the main supporter and protector of the Myanmar generals. According to recent reports, China has for the first time added the word "democracy" in its Myanmar policy. This was conveyed to Sr. Gen. Maung Aye by the Chinese leadership during his recent visit to China. While there have been positive reactions to this addition in China's Myanmar policy, it remains to be seen how it would translate in real terms. Expectations on China to play a role in the Myanmar crisis has been expressed from various quarters including governments, NGOs, and the media since China, along with Russia, vetoed a UNSC resolution in January 2007, and after the September 2007 crackdown as well as the 2008 cyclone.

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<sup>32</sup> In international relations discourse, the term "bandwagoning" has been defined in two ways. The first defines bandwagoning as a country aligning with a powerful country to avoid an attack. The second definition says bandwagoning means "being on the winning side" for economic gains. According to Denny Roy, Myanmar is not a case of bandwagoning because it has not "joined the winning side" as there was no "real opportunity to choose sides". Denny Roy, "Southeast Asia and China: Balancing or Bandwagoning?" *Contemporary Southeast Asia*, vol. 27, no. 2 (2005), pp. 305–322.

<sup>33</sup> See Zou Keyuan, "China's Possible Role in Myanmar's National Reconciliation", *The Copenhagen Journal of Asian Studies*, vol. 17, 2003, pp. 59–77 (<http://rauli.cbs.dk/index.php/cejias/article/view/13/13>)

Despite the close relationship, China has both internal and external limitations in dominating Myanmar policies.<sup>34</sup> One obstacle that China faces is the growing ties that Naypyitaw is evidently interested in cultivating with New Delhi, ASEAN, and Moscow.<sup>35</sup> There is also the issue of increasing anti-Chinese sentiment, particularly, in Myanmar's northern region among the local Burmese people.<sup>36</sup> Beijing may not like to press beyond a point for political reforms which could push Myanmar closer to other major powers. China also has strategic interests to see that Myanmar's military regime continue in power, as an observer argues: "it would be unrealistic to expect Beijing to displace the [Myanmar military] regime that is serving as a guarantor for China's access to the Indian Ocean."<sup>37</sup>

China's position and influence is likely to continue in Myanmar, whether under military rule or a democratic government. After Khin Nyunt's ouster, China seems to be cautious in cultivating close personal relations with Myanmar's top generals. With the political situation in Myanmar remaining uncertain, voices for China to play a more active role in Myanmar's political transition are likely to continue. However, China may not be able to do much for change in Myanmar. Recent developments suggest that Myanmar's generals do not feel the need to make concessions because they feel that the international community does not have many options.

### Policy Implications

Viewing China-Myanmar relationship exclusively through the lens of the "China threat" theory may in fact undermine Myanmar's efforts to develop alternative options as counter-weights to China. It may be in the interests of external powers and regional countries to calibrate their policies, with a view to providing alternative options to Myanmar to pursue and maintain an independent foreign

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<sup>34</sup> Xiaolin Guo has identified four areas that prevent China from playing an effective role in the Myanmar crisis: "the troubled history between the two countries, China's on-going domestic development that relies on natural resources from its neighbor in the southwest, the status quo of border security, and last but not the least, the impact of democratization in Myanmar." See Xiaolin Guo, "The Myanmar/Burma Impasse and Practice of Intervention", in Xiaolin Guo, (Ed.) *Myanmar/Burma: Challenges and Perspectives*, Institute of Security and Development Policy, Stockholm-Nacka, 2008, p.16. See also Zou Keyuan, "China's Possible Role in Myanmar's National Reconciliation", *The Copenhagen Journal of Asian Studies*, vol. 17, 2003, pp. 59–77 (<http://rauli.cbs.dk/index.php/cjas/article/view/13/13>).

<sup>35</sup> Ian Storey, "Burma's Relations with China: Neither Puppet nor Pawn", *China Brief*, vol. 7, iss. 3, 9 May 2007 ([http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=4029](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=4029))

<sup>36</sup> Bertil Lintner, "Illegal Aliens Smuggling To and Through Southeast Asia", The European Science Foundation, Asia Committee and The Economic and Social Research Council, Budapest, 26–27 May 2000 ([http://www.asiapacificms.com/papers/pdf/gt\\_alien\\_smuggling.pdf](http://www.asiapacificms.com/papers/pdf/gt_alien_smuggling.pdf))

<sup>37</sup> Zhao Hong, "China and India Courting Myanmar for Good Relations", *EAI Background Paper*, no. 360, East Asian Institute, Singapore (<http://www.eai.nus.edu.sg/BB360.pdf>).

policy. If the US and Western countries continue to maintain a hostile policy toward the military regime, Naypyitaw is likely to keep “close” ties with Beijing to offset their pressure and sanctions.

Myanmar is likely to continue its efforts to increase its options and to balance dependence on China by strengthening ties with “friendly” countries such as India, Russia, and ASEAN and keep the door open for the US and Western countries if their policies evolve towards more constructive engagement. India’s interests in Myanmar are likely to grow in the future, and its increasing presence driven by strategic and economic interests may emerge as an important factor in China-Myanmar relations.

### **Concluding Observations**

To consider Myanmar as simply a Chinese “pawn” may be an overstatement if recent developments are any indication. Myanmar has been adopting its own course of policy on vital regional and international issues or in developing relations with other countries. Myanmar has tried to adopt a cautious approach to China and has displayed an independent stance on some vital issues. China has avoided direct interference in the domestic affairs of Myanmar, partly because it does not want to heighten Myanmar’s suspicion of it as a “hegemon”, and partly because China’s influence over the regime does not seem to match with what has been earlier perceived by some. China’s priority in Myanmar appears to be political stability, but China also has long-term interests in Myanmar including access to the Indian Ocean for economic development and energy security. China’s involvement in building roads, railways, pipelines, and ports in Myanmar are strategic assets to China and obviously have a strategic dimension. Nevertheless, it would be an exaggeration to suppose that the strategic dimension is the principal driver of China’s actions in Myanmar.



# Burma: China's Most Important Strategic Ally in Southeast Asia

*Larry Jagan*<sup>1</sup>

Burma is strategically placed, bordering China's southern provinces, and providing an important bridge between South Asia and Southeast Asia. For Beijing, it is an important ally both economically and politically. Trade between the two countries is significant and is growing annually. Burma also provides an important access route to the sea for goods, and is a major transit path for trade with Thailand to the east and India to the west. It is also a growing market for Chinese goods and a significant source of goods and raw materials for the Dragon's insatiable appetite.

More than 90 per cent of direct foreign investment in Burma in 2008 was Chinese, according to Burmese government figures. It has jumped by more than 25 per cent over the past twelve months to more than \$1 billion. More than 80 per cent of that investment was in the mining sector, oil industry, and numerous hydro-electric schemes in Burma. Bilateral trade between Burma and China grew by more than 25 per cent last year to nearly \$3 billion in 2008.

But Burma has also become the corner-stone of China's strategic interests in Southeast Asia.<sup>2</sup> Beijing sees the southern archipelago as its backyard, and a region where it should naturally exert influence, if not control. In the past decade the Chinese government has been alarmed at the resurgence of US influence in Asia—with Cambodia, Laos, Thailand, and Vietnam appearing to be moving more into the American orbit. Washington's new engagement policy towards Asia has not been enthusiastically viewed by the Chinese government.

Burma alone stands steadfastly supportive of China—and openly critical of the US. Not in the least because the US has led the Western campaign of isolating the Burmese military regime and maintaining increasingly stringent sanctions against the junta. This of course may be changing with Washington's recent significant shift in policy towards the junta—offering to talk directly to the junta.<sup>3</sup>

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<sup>1</sup> Larry Jagan, Freelance Journalist and Burma Specialist based in Bangkok, Thailand.

<sup>2</sup> See Larry Jagan, "Burma: best bad buddies with Beijing", *Asia Times*, 13 June 2007

<sup>3</sup> See Larry Jagan, "US Policy Shift on Burma Gets Mixed Reactions", *Inter Press Service*, 25 September 2009.

Of course Beijing is also concerned to ensure that India cannot strengthen its toe-hold in the country and further increases its influence there. The recent visit by India's army chief and his warm reception was not welcomed in Beijing, at a time when Sino-India relations were significantly cooling, with the Tibetan spiritual leader, the Dalai Lama, visiting Tibetan refugees and exiles in the town of Tawang in Arunachal Pradesh on the border with China.<sup>4</sup>

The relationship between Burma and Beijing also has its own set of problems. This was dramatically highlighted recently when the Burmese army attacked an ethnic rebel group, the Kokang or the Myanmar National Democratic Alliance Army (MNDAA) as they call themselves, near the Chinese border, forcing more than forty thousand refugees to cross the border for safety.<sup>5</sup> A flurry of diplomatic exchanges—and a secret mission by the Chinese deputy foreign minister to the Burmese capital Naypyidaw—seems to have calmed what could easily have become a major rift between the two countries.<sup>6</sup>

The Chinese understand that while Burma may not be as recalcitrant a strategic partner as the North Koreans, they are just as chauvinistic and xenophobic and therefore prone to ignore Beijing's advice. Similarly like Pyongyang, they often do things which irritate and annoy the Chinese leaders. The growing relationship between North Korea and Burma is one of those sensitive matters. Although at the time there was substantial speculation in the exile Burmese media that the two countries were about to re-establish diplomatic relations, which happened in April 2007, however, neither capital thought it prudent to officially notify Beijing of their plans.<sup>7</sup>

When Burma's top general unexpectedly moved the country's capital from Rangoon to the hill-side location some 400 kilometres north at Naypitdaw, which started early in the morning of 6 November 2005, none of their allies and neighbours were officially warned before the move took place. This also angered Beijing which within twenty-four hours sent a senior diplomat to see the senior general and rebuke him for this diplomatic faux pas.

All this accounts for a "testy" relationship at best. It is far from being one-sided. The Burmese military rulers know that they have no option in the current international climate than to court powerful friends to help provide them with

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<sup>4</sup> "China 'dissatisfied' India allowed Dalai Lama trip", *Reuters*, 10 November 2009; informal chat with senior Indian government officials at the ASEAN summit in Hua Hin (Thailand), 23–25 October 2009.

<sup>5</sup> See Larry Jagan, "China warily watches US-Myanmar detente", *Asia Times*, 2 October 2009.

<sup>6</sup> See Larry Jagan, "Beijing and Burma no longer the best of friends", *Bangkok Post*, 11 October 2009.

<sup>7</sup> See Larry Jagan, "Myanmar drops a nuclear 'bombshell'", *Asia Times*, 24 May 2007.



an umbrella of protection against international pressure, especially at the United Nations, and against Western-led sanctions. But there are many in the military who resent Burma's dependence on Beijing and are perturbed by the increasing Chinese penetration of the country—in terms of investment and immigration—and the over reliance on China for military equipment and hardware. When asked was there not a problem of growing Chinese domination in the country, Burma's military spokesman Col Hla Min, in 2003 before his arrest, laughed nervously and said, "You've heard of globalisation – this is our globalisation."<sup>8</sup>

Chinese political leaders and government officials are just as coy about the relationship—and with growing international pressure on them to hold the Burmese junta to account, simply suggest that they do not have the power to do so. "China may have *more* influence with the generals than anyone else," said a Chinese diplomat. "But analysts exaggerate the influence we do have. Our policy is gentle persuasion. For if we push too hard, we know the regime will slam the door closed and we'll lose whatever influence we might have."<sup>9</sup>

But China does have a measure of influence when it does decide to exercise it. For example, it has intervened in support of the UN secretary-general's special envoy Ibrahim Gambari. On several occasions in the past two years they have convinced the regime to allow him access to the country. It was Beijing that was instrumental in getting him his visa in 2007, immediately after the crack-down on the Saffron Revolution. Mr. Gambari himself is in no doubt that without Beijing's intervention he would not have been allowed back into Burma at that time.<sup>10</sup>

But Beijing refuses to recognise the problems that the Burmese regime poses as a security threat—to China at least, if not the region. There are three key issues which trouble the Chinese government in terms of long-term stability and security. Burma's ruling junta is far from being stable, despite surviving in power for more than twenty years. There are divisions and rifts within the military—which could bring down the junta at anytime, leaving the Chinese helpless.<sup>11</sup> "If the SPDC [State Peace and Development Council] were to fall tomorrow, our investment in the economy and the military would be worthless," said a Chinese diplomat.

Chinese diplomats in Rangoon are constantly watching for signs of a coup or splits that might affect Beijing's relations with the regime. They were caught out in October 2004 when the then prime minister and military intelligence chief, General Khin Nyunt, was ousted. He was seen as a significant ally of Beijing—

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<sup>8</sup> Interview in Rangoon with Col Hla Min, military spokesman, 10 March 2003.

<sup>9</sup> See Larry Jagan, "China's uneasy alliance with Myanmar", *Asia Times*, 24 February 2006.

<sup>10</sup> Interview with UN envoy, Ibrahim Gambari, 10 December 2007.

<sup>11</sup> See Larry Jagan, "Crisis looms for Myanmar's riven junta", *Asia Times*, 27 March 2008.

even called the Deng Xiaoping of Burma.<sup>12</sup> When he fell, China had to start rebuilding its alliances within the junta and instead of the “all eggs in one basket” approach, they deliberately made sure that they courted all the top generals. The second-in-command, General Maung Aye, and the third-in-command, General Thura Shwe Mann, have made frequent visits to China since Khin Nyunt’s fall. In fact both have been to China earlier this year. Some of these trips, especially Maung Aye’s, have even been shrouded in secrecy. General Than Shwe has also made very infrequent visits to China, including a secret trip for a medical check-up some two years ago.

But despite that, Beijing’s concerns of splits and factions persist. In August 2005, Chinese intelligence sources misread events in Rangoon, believing Maung Aye’s visit to see Than Shwe’s daughter in hospital—she had just given birth to a baby—was evidence of coup, and immediately telegraphed Beijing that Maung Aye had arrested Than Shwe. This leaked to the Chinese exile community in the border town of Ruili and even found its way into Burmese media broadcasts, including the BBC Burmese service. But this mishap did not stop the Chinese intelligence machine from constantly monitoring the frictions within the military.

In July 2008, intelligence reports from Rangoon warned the party’s central committee that there was a possible imminent coup in the military. The tension subsided and nothing happened. But clearly the Chinese diplomats and party officials follow the rule: it is better to be prepared than caught off guard. This is the result of the “Khin Nyunt Affect”.<sup>13</sup>

China also understands that its neighbour is unstable because it does not have a consensus of support in the country. Although Beijing would never say that the junta was hated by most of the country’s civilians, it understands that the junta is particularly unpopular within the country. “What is needed is a measure of democracy, so that people feel the regime represents their interests,” said a Chinese diplomat formerly based in Rangoon. The Chinese were dismayed at the events in August–September 2007, though in keeping with their own approach to internal security, favoured the crack-down that followed.

But not before they advised most Chinese businessmen in Rangoon and Mandalay to close their stores, board up the front windows, and seek refuge across the border in China in Ruili till things died down inside. China’s top leaders were also dismayed when during the Saffron Revolution a group of monks, before heading off to Aung San Suu Kyi house, stopped outside the

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<sup>12</sup> See International Crisis Group.

<sup>13</sup> A term I have coined to underline why Khin Nyunt’s fall in October 2004 has prompted Chinese diplomats and strategists to be so wary of a possible coup in the Burmese army.

Chinese Embassy in Rangoon and chanted Buddhist verses. The subtle intention was not lost on the Chinese diplomats.

For years now the Chinese have had advisors in the Burmese capital telling the generals about development and political reform. "Human rights and democracy" is no more on Beijing's agenda as it is on the Burmese junta's. But what the Chinese are desperately trying to convince their friends in Naypyitdaw is that they need to make their rule legitimate. "We are under no illusions, the SPDC [State peace and Development Council] is an illegitimate regime," said a Chinese diplomat who has covered Burma for years. "It rules only through fear and force. It must change the basis of its authority if it is to continue to control the reins of power."

Beijing was one of the first foreign powers to endorse the "roadmap to democracy" announced in August 2003, outlining seven stages to multi-party, guided democracy. From that moment on, Beijing has used every opportunity to quietly push the regime to speed up the process. A new constitution and civilian administration would help bring international credibility to the Burmese government, according to the Chinese government's analysts. For more than three years now Beijing has been encouraging the junta to hold the elections it had promised as part of the roadmap.

For Beijing, and many of Burma's Asian neighbours, a credible election in 2010 is critical for Burma to be able to rejoin the international community and roll back the sanctions that have been imposed by many Western nations. For China it is even more important as a means of legitimising the Burmese state and thereby encouraging increased Chinese private investment in the country. "More than two hundred small and medium sized Chinese businesses in south-west China are waiting for the elections so that they can confidently invest in Burma, rather than Vietnam where they feel the authorities are too restrictive," said a Chinese government official.

Finally Chinese officials have known for some time that the Burmese economy is "a basket case" on par with North Korea. When the then Chinese president Jiang Zemin visited Burma in December 2001, the reality of the Burmese mess hit home. Chinese officials travelling with the leader complained bitterly that the fax machines did not work, Chinese mobile phones did not work, and Burmese phones could only be use in Rangoon—when they went to the Burmese seaside resort of Ngapali, nothing worked. "They were almost apoplectic," said a Burmese businessman who was part of the Burmese entourage travelling with the Chinese president. And to top it all off, many of the delegation fell ill from food poisoning after a lavish banquet put on in their honour.

Advising the Burmese regime on the need for economic reform has been a central part of the Chinese concerns for more than a decade now. When Burmese

leaders visited China—from Than Shwe and Khin Nyunt onward—they spent as much time in the southern special economic zone and the fast developing eastern seaboard region as Beijing. Rather than lecture the Burmese leaders, the Chinese approach has been to show them what was possible, to offer them models for Burmese development in the form of concrete and successful examples of development that Burma could easily follow.<sup>14</sup>

For China, politics and economic development are integrally connected, and that is the key lesson the Chinese leaders want their Burmese allies to understand. “A hungry dog is always barking, but a contented dog will be quiet and not demand democracy: that’s the Chinese approach,” said a Chinese government official.

But despite all these potential problems and embarrassments, Beijing has decided that Burma, both economically and politically, is its most important strategic ally in Southeast Asia—China’s crucial backyard for its economic development, rural stability, military preparedness, and political support.

In late 2006, China’s communist party mandarins reviewed its policy towards Burma and Southeast Asia—in the light of increase instability in the region, especially the massive anti-government protests in Thailand in early 2006, and the eventual military coup on 19 September 2006. (Ironically the Chinese embassies were informed on the eve of the coup what was planned, while the US military attache was left to fume at his interlocutors after the coup because he had not been given advance warning.) So in December, Burma became Beijing’s most important ally in Asia. China’s support for the Burmese junta has strengthened immeasurably recently as the Chinese leaders have made Rangoon the corner-stone of their revised strategy towards Southeast Asia. Burma’s internationally shunned military regime has become a crucial part of Beijing’s policy towards Asia in the face of its fears of the growing and unwanted influence of the US in the region.<sup>15</sup>

Since the beginning of 2006, there has been a flurry of diplomatic and business visits between the two capitals, with the aim of boosting economic, trade, and technology ties. These trips have continued over the past three years. Every month there are exchange visits. One of the most important, which helped lay the foundation of their new stronger relationship, was a secret mission by the Burmese army chief, General Thura Shwe Mann, to Beijing in May 2007. But their burgeoning relationship has not been without some irritation, as Beijing realises its close relationship with its unpopular Asian ally is likely to

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<sup>14</sup> See Larry Jagan, “Jiang boosts China’s Burma link”, *BBC News Online*, 16 December 2001.

<sup>15</sup> See Larry Jagan, “Burma and China’s special relationship”, *Bangkok Post*, 27 August 2007.

increase pressure on them from Burmese political activists and the international community, which has imposed sanctions against the regime.

Early in 2007, Burma's prime minister, Thein Sein, returned from his first major visit to China. During his trip to the Chinese capital, he met senior Chinese legislators from the National Peoples' Congress and discussed a wide range of issues including political and economic matters of concern to both sides. Almost immediately the Burmese government hosted a large delegation from Beijing, from the China-ASEAN association, which included government officials, legislators, and businessmen. This was the first concrete sign that the relationship between the Beijing and Burma was becoming more comprehensive and critical to the interests of both countries.<sup>16</sup>

This increased diplomatic and business contact between the two countries was a central part of both governments' renewed commitment to strengthen their existing relationship. Both countries remain keen to boost bilateral trade and investment ties as well as develop social and cultural exchange programmes.

Successive Chinese delegations have been mainly concerned to promote cooperation and communication, especially in the fields of politics, culture, business, technology, and transport, not only between China and Burma, but also with its ASEAN allies. Earlier in 2007, there was a large official delegation from the Yunnan provincial government, including scores of businessmen, which visited Rangoon and signed several significant contracts, including export contracts for steel and fertilisers, agricultural and scientific exchanges, and two mineral exploration and extraction deals. Discussions between the two countries, on oil and gas deals have also involved Thai businessmen. They accompanied General Surayud when he was the Thai prime minister on his visit to Naypyitdaw in 2007.

China is anxious to explore cooperation with Burma in almost all economic and business areas. During a visit of provisional Chinese officials in early 2007, some 600 businessmen from both countries discussed mutual cooperation covering timber, bamboo and furniture, rubber, hydroelectric project, construction, mining, transportation, tea product, beverage, sugar mill, textile, fertiliser and chemicals, electric and electronic products, livestock and fisheries, machine parts, and farm equipment.

Some time ago, China decided that Burma was crucial to its economic development, especially for the more backward southern regions of the country which have lagged behind the economic development along China's eastern coast. But while contact between China's provisional officials and businessmen

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<sup>16</sup> See Larry Jagan, "A new era in Sino-Burmese relations", *Inter Press Service*, 26 February 2006.

flourished, Beijing remained cautious fearing that Burma was potentially unstable and may endanger China's long-term security and stability, especially in its sensitive border regions.

For several years, until the policy review in late 2006, China's leaders have feared that Burma's military junta lacked real legitimacy and could collapse overnight, leaving Beijing powerless and its military and economic investment in the regime worthless, according to a senior party cadre who deals with foreign policy issues.

There is no doubt that China's greatest fear remains Burma's stability. More than a million Chinese farmers, workers, and businessmen have crossed into Burma in the last ten years and are working and living there. The Chinese authorities fear that any upheaval in Burma would result in a mass exodus of Chinese back across the border, creating increased industrial and social unrest in their sensitive border regions. Several months ago this fear was highlighted when Burmese military action along their common border resulted in increased tension and a massive influx of refugees into Yunnan province.<sup>17</sup>

In the past few years Chinese businessmen and provincial government enterprises have boosted their investment in Burma—Lashio, Mandalay, and Muse are virtually Chinese cities now. Even in Rangoon, Chinese businesses have expanded enormously since 2005. They are also involved in the building of a special tax-free export zone around the Rangoon port. "The number of Chinese restaurants in Rangoon has grown and the quality of the food served there is far better than in Bangkok," according to a Thai-Chinese businessman.

Some time ago the Chinese authorities decided that the only way to ensure their existing investment in Burma is to strengthen it. "More than six months ago, China's leaders sanctioned an increase in economic and business ties with Burma," said a Chinese government official in mid-2007. "This would cover all areas, but especially the energy sector," he added.

China already has major oil and gas concessions in western Burma, and is planning overland pipelines to bring it to southern China. Work on the pipeline that will link both the countries started in November.<sup>18</sup> The Chinese have also agreed to finance and build several major hydroelectric power stations in northern Burma.

For the Chinese authorities Burma is also an important strategic transit point for goods produced in southern China. They want to transport these by road to the Rangoon port for shipment to India, the Middle East, and eventually Europe.

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<sup>17</sup> See Larry Jagan, "Beijing and Burma no longer the best of friends", *Bangkok Post*, 11 October 2009.

<sup>18</sup> *Xinhua*

Repair work is underway on Burma's antiquated internal road system that links southern China, through Mandalay, to Rangoon.

Now there are fresh plans to rebuild the old British road through northern Burma that would connect southern China with northeast India. The Chinese have agreed to finance the construction of this highway using 40,000 Chinese construction workers, according to Asian diplomatic sources in Rangoon. Some 20,000 would remain after the work is completed to do maintenance work on the road.<sup>19</sup>

"When this happens the northern region of Burma will be swamped by the Chinese – government officials, workers, lorry drivers and businessmen – it will no longer be Burma," according to a senior Western diplomat based in Bangkok who has followed Burmese affairs for more than a decade. Already along the Burmese border with China, every small town has restaurants and stores run by migrants from China; many have been there for more than a decade. Chinese teachers are also being recruited to work in the Chinese language and bilingual schools that are popping up in many of the major cities in northern Burma.

Already in the major border towns in Shan state, like Mongla and Muse, only the Chinese currency—the Renminbi or Yuan—is used, Chinese calligraphy dominates the landscape; billboards, street signs and shop fronts almost all use Chinese character exclusively, very little Burmese writing can be seen. In some towns along the border the clocks are set to Beijing standard time rather than Burma's clock to facilitate cross-border contact, according to local Burmese officials.<sup>20</sup>

The Chinese authorities are planning to use Burma as a crucial transit point, not just for the products grown or manufactured in southwest China, but as a means of transporting goods from the country's economic power-houses along the eastern seaboard. "By shifting the transit route away from the South China Sea and the Malacca straits to using Burma's port facilities to reach South Asia, the Middle East and Europe they hope to avoid the dangers of crowded shipping lanes and pirates—the Malacca dilemma as Beijing calls it," according to a senior Chinese analyst.

But Beijing is also well aware that the junta's failure to implement political reform may back fire, not only for Rangoon, but on China as well. Already under increased international criticism for its unswerving support for what the

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<sup>19</sup> See Larry Jagan, "Burma and China strengthen bilateral ties", *Bangkok Post*, 12 February 2006.

<sup>20</sup> I made six trips to this area in the period March 2002 to March 2004, including driving along the Chinese-Burmese border from Pangsang—the Wa western stronghold to Mongla in the east, also near the Thai border.

international community regards as pariah states—especially Burma, North Korea, Sudan, and Zimbabwe—Beijing has begun to distance themselves and take a more active role in trying to influence their allies to be more flexible.

That has certainly been the case as far as Rangoon is concerned; the Chinese statement after Aung San Suu Kyi was put on trial earlier this year was also a coded message of concern: “I’d like to point out that this is the internal affairs of Myanmar and should be left to its own people to decide,” the Chinese Foreign Ministry spokesperson Ma Zhaoxu told a press conference in Beijing. “As a neighbour of Myanmar, we hope the relevant parties in Myanmar could realise reconciliation, stability and development through dialogue.”<sup>21</sup>

Behind the scenes in the past few years, Beijing has been far more pro-active in pressing Burma’s military rulers to introduce political and economic reform as quickly as possible. They have also quietly raised the vexed issue of the detained opposition leader Aung San Suu Kyi, suggesting that she be freed. But when Thura Shwe Mann told the Chinese leaders in May 2007 that this was impossible as she still posed a security risk, they backed off.

Instead they pressed both Washington and Rangoon, behind the scenes, to restart a secret dialogue to try to overcome some of the issues which keep Burma internationally isolated. Unfortunately the first round of talks held in Beijing in July 2007 ended inconclusively and future possible talks were scuppered altogether by the violent crackdown on the monk-led anti-prices protests in September. Beijing had recently been pushing the junta again to make an effort towards resuming contact with Washington, in the light of the Obama administration’s apparent shift in policy towards Burma. But Beijing was suddenly alarmed when the regime seemed to be openly receptive to the US overtures.<sup>22</sup>

Beijing is also alarmed by Rangoon’s nuclear ambitions and the recent deal with Moscow to build a nuclear reactor in Burma. China’s leaders have already communicated their displeasure, according to Chinese government sources, and warned them that they could not rely on Chinese assistance if anything went wrong. China’s leaders were also extremely annoyed at Rangoon’s re-establishment of diplomatic relations with Pyongyang.

“They no longer trust North Korea and were dismayed that two important neighbours had effectively gone behind their backs and resumed relations,” according to a Chinese government source. Officially of course Beijing

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<sup>21</sup> *Xinhua*

<sup>22</sup> See Larry Jagan, “Sanctions permit China to ‘hold sway’ over junta”, *Bangkok Post*, 20 August 2009.



welcomed the development. Beijing was furious at the recent incident of the North Korean ship heading for Burma. The boat turned round when the Burmese authorities rang Pyongyang to cancel the voyage. This was in part the result of Chinese pressure, as they wanted to avoid an international rumpus as a result of the UN Security Council resolution on North Korea, which they had agreed to.

But despite all these irritations, China's leaders have realised that Burma is by far its strongest and most consistent ally in Southeast Asia. For some time Beijing has eyed suspiciously the growing American influence in the region, especially in what it regards as its backyard and natural sphere of influence—Cambodia and Vietnam, and to some extent Laos as well.

China's leaders now fear that Thailand, with the Democrat Party back in power, the government may be less inclined to give China favoured trading status and be more hesitant in its support for Chinese concerns, domestically and internationally. The Chinese also see the Democrats as avowedly pro-Western, and especially close to the United Kingdom and the US. Key Democrat politicians had also previously threatened to overhaul or rescind the Free Trade Agreement between Bangkok and Beijing—though that seems to be no longer on the agenda after the Thai prime minister Abhisit Vejjajiva's official visit to Beijing earlier this year. And of above all, Beijing would not welcome Aung San Suu Kyi coming to power in Rangoon, as they regard her as an American puppet.

So for Beijing, this growing potentially hostile environment in Asia means their only trustworthy and truly anti-American ally in the region is Burma's military regime. Strategically the junta has become increasingly important to Beijing and seen as pivotal to its relationship with Southeast Asia as a whole. It is a marriage of convenience, and both countries are securely bound together for the foreseeable future.

For Burma, China is crucial because it provides an umbrella of protection against international pressure, especially at the UN. The recent UN Security Council censure discussion on Burma after the start of Aung San Suu Kyi's trial is a clear indication of that. Beijing, with Russia, ensured that only a non-binding (and in fact severely watered down) president's statement was issued. The apparent failure of the UN secretary-general's visit to Burma earlier this month is likely to increase the pressure on China to convince its ally to make significant concessions to the international community.

Burma is looking towards its powerful friends to support its roadmap and protect it from international pressure. Burma's rulers have always been inward looking, and shunned international engagement. They are by inclination isolationist—from the Burmese kings, through General Ne Win's rule and during the last twenty years of the current military junta. They do not want to open up to

the neighbours let alone the international community. They only do so when they realise they have little option.<sup>23</sup>

More than a decade ago, the Burmese leaders decided the best way to deflect international pressure was to join ASEAN. But when that failed to provide the comfort zone they had hoped for—especially after the attack on Aung San Suu Kyi in May 2003—they looked for a bigger and stronger umbrella. China naturally provided the big-brother cover. But not satisfied with that, and fearing that Beijing may be swayed by international pressure, the Burmese leaders felt they also needed Russia's support, especially at UN bodies, and particularly the Security Council. Ironically the Burmese sought China's active participation as an interlocutor with Moscow. That was the then prime minister Soe Win's key objective on his visit to Beijing in early 2006.<sup>24</sup>

This was all at a time when Beijing decided they had no option but to back the Burmese junta publicly—no matter what. In mid-2006, when the issue of Burma was being pushed as an agenda item on the UN Security Council, China warned Burma it might sustain during the SC vote. Russia and China had apparently decided to veto any resolution on Burma alternately, with Russia voting first. As it turned out, by the time the discussion and vote came round, Beijing had reviewed its policy and assured Burma it would steadfastly defend it in the international area.

Since then their relationship has been fraught at times, but while there may still be irritations between the junta and China's leaders, neither side is going to allow them to endanger what over the past two years has become a very special relationship indeed. It is one in which Beijing is likely to increasingly give Rangoon everything it wants, while trying to exert pressure behind the scenes to relieve international pressure and secure the sort of political and economic reforms that could further strengthen their bilateral ties.

But Beijing, like most of Asia, is pinning its hopes on the junta holding a credible elections in 2010, which will be accepted by the international community, and lead to a significant easing of Burma's international isolation. Few serious analysts believe that this is really likely, and Beijing and Burma will be forced closer together in their strategic alliance.

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<sup>23</sup> See Renaud Egretau and Larry Jagan, *Back to Old Habits: Isolationism or the Self-Preservation of Burma's Military Regime*, IRASEC, December 2008, for a detailed analysis of this inward looking approach that spans from the Burmese kings, under Ne Win to the present regime, the State Peace and Development Council.

<sup>24</sup> Larry Jagan, "A new era in Sino-Burmese relations", *Inter Press Service*, 26 February 2006.

# China's Policies towards Myanmar: A Successful Model for Dealing with the Myanmar Issue?

*Li Chenyang and Lye Liang Fook<sup>1</sup>*

## Introduction

China's relations with Myanmar have come under intense media glare in recent years due to a lingering perception, especially in the West, that China as a big and influential neighbour has the leverage to influence developments in Myanmar in a positive direction as deemed by the West.

Recent events such as the pace and nature of political democratisation, the trial of opposition leader Aung San Suu Kyi (2009),<sup>2</sup> the response to the devastation caused by Cyclone Nargis (2008)<sup>3</sup> as well as the crackdown on the Saffron protestors (2007)<sup>4</sup> have added to calls for China to pressure Myanmar to respect human rights and better provide for its people. In some quarters, China's "more restrained" stance has been perceived as a major obstacle for Myanmar's democratic and human rights development.<sup>5</sup> There is a belief that China has failed to assume responsibility as a big power with respect to Myanmar.

Yet, this one-dimensional view that China can readily influence Myanmar underestimates the complexities of the bilateral relationship. During the Cold War, China, while maintaining normal relations with the Burmese government,

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<sup>1</sup> Dr. Li Chenyang (chenyanglich@yahoo.com.cn) is a Senior Research Fellow and Director of the institute of Southeast Asian Studies at Yunnan University, China.

Lye Liang Fook (eailf@nus.edu.sg) is a Research Fellow at the East Asian Institute of the National University of Singapore.

<sup>2</sup> "Worldwide Protests Mark Birthday of Jailed Suu Kyi", *AFP*, 19 June 2009; and "Britain wants more Myanmar sanctions over Suu Kyi", *Reuters*, 18 June 2009.

<sup>3</sup> "UN Chief Criticises Burma's 'slow' Response to cyclone", *VOA*, 12 May 2008.

<sup>4</sup> "Bush appeals to China to Pressure Myanmar", *Reuters*, 27 September 2007.

<sup>5</sup> Such a perception has lingered since the military junta took power after suppressing the large-scale democratic movement in 1988.

simultaneously lent strong support to the Burmese Communist Party (BCP) to overthrow the Burmese government.<sup>6</sup> Events took an interesting turn when the military junta took power by suppressing the democratic movement in 1988 and the BCP disintegrated in 1989. In that year, China faced diplomatic isolation following the June 4th crackdown. The collapse of the Berlin Wall (1989) and disintegration of the Soviet Union (1991) further cast serious doubts on the viability of communist movements worldwide. Under such circumstances, China had to make adjustments in its policies towards Myanmar.

This article aims to provide readers with a better understanding of China's policies towards Myanmar. To better appreciate the dynamics and complexities of China's relations with this country, the first section of this article examines the various objectives of China's policies towards Myanmar, including the strategic, political, economic, and security aspects. The second discusses the main content or dimensions of China's policies towards Myanmar, revealing the breadth and depth of their bilateral relationship. The third highlights the challenges which are already affecting the smooth development of the bilateral relationship. The final section describes China's model of constructive engagement and how it differs from other models such as the ASEAN model of constructive engagement.

## **Objectives of China's Policies towards Myanmar**

Myanmar has played an important role in China's foreign policy calculations since the People's Republic of China was founded in 1949. Myanmar was a key frontline state for China in breaking the blockage imposed by the West during the Cold War. The Chinese government then perceived China-Myanmar relations as "the model of state-to-state relations between different social systems". Some scholars within China and abroad, and some high-ranking officials in China share the view that Myanmar has become even more important to China since 1988, though they differ in the importance they attach to the objectives of China's policies towards Myanmar.

China has six objectives in its policies towards Myanmar. These can best be understood by bearing in mind China's foremost intention to develop peacefully as well as its other strategic, political, economic, and security considerations. In other words, the objectives of China's policies towards Myanmar are multi-

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<sup>6</sup> China changed its policy towards the BCP following its reform and opening up in 1978. Substantive assistance gave way to moral support. By 1985, China stopped all economic and military assistance to the BCP. The change in China's policy towards the BCP is an important reason for its collapse in 1989.

dimensional in nature.<sup>7</sup> They have been formed gradually, with changes and refinements made over the years.

### **Objective 1: Securing Access from Southwest China to the Indian Ocean**

China is traditionally regarded as a one-ocean state (Pacific Ocean) compared to the US which is considered a two-ocean state (Atlantic and Pacific Oceans) and Russia as a three-ocean state (Arctic, Atlantic, and Pacific Oceans). China wants to shift from a one-ocean state to a safer and more stable two-ocean state (Pacific and Indian Oceans) to enhance its security. Hence, a core objective of China's policy towards Myanmar is to establish a strategic network of road, rail, and air transport from Yunnan province in the southwest through Myanmar to the Indian Ocean and also to construct water, oil, and gas pipelines.

According to Voon Phin Keong, director of the Centre for Malaysian Chinese Studies in Kuala Lumpur, "an outlet on the Indian Ocean would add a new dimension to China's spatial relations with the world. It would enable China to overcome its 'single-ocean strategy' and to realise what would constitute a highly significant plan for a 'two-ocean strategy'".<sup>8</sup> To be sure, to avoid ruffling India's concerns about China's rise and causing Myanmar to develop the feeling that it is being exploited, the term "two-ocean strategy" is not publicly espoused by the Chinese government. Nevertheless, certain scholars from Taiwan and other countries often use this term.

### **Objective 2: Maintaining the Security and Stability of the Border Areas**

China requires a peaceful and stable neighbourhood for its development. It therefore seeks friendly and good relations with its neighbours. Myanmar is an important country in demonstrating China's commitment to peace, stability, and growth in the region. The Myanmar-China border is estimated to be 2,204 kilometers (km) long.<sup>9</sup> There are more than 40,000 comparatively independent

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<sup>7</sup> Some Taiwan scholars think that the ultimate objective of China's policy towards Myanmar is to gain access to the Indian Ocean, make Myanmar the land-bridge between Southeast Asia and South Asia, and serve as a buffer state for China. See Yuh-Ming Tsai, "Liangyang tuwei: zhongguo dui miandian waijiao zhengce zhi yanjiu", (Two Oceans Breakout: A Study on China's Foreign Policy towards Myanmar), *Feng Chia Journal of Humanities and Social Sciences* 8 (May 2004): 302–325.

<sup>8</sup> "China Signs Burmese Gas Deal for 30-year Supply", *The Irrawaddy*, 26 Dec. 2008 at <[http://www.irrawaddy.org/article.php?art\\_id=14849](http://www.irrawaddy.org/article.php?art_id=14849)> [June 2009]

<sup>9</sup> In the past, the total length of the Myanmar-China border was estimated at 2,185 km. At present, the military government believes it is 2,204 km. See <<http://www.myanmar-embassy-tokyo.net/about.htm>> [June 2009].

minority armed forces in the north and northeast areas of the Myanmar-China territorial boundary. They have pursued independence or greater autonomy for a long time which has implications for the safety and stability of southwest China.

As the military government has not been able to carry out effective management in the minority regions, these regions have become bases for the intelligence departments of the US, India, and Taiwan to collect information on the situation in China, and for Christians to carry out religious penetration into China. Moreover, a series of serious non-traditional security issues such as drug trafficking, smuggling, cross-border crime, illegal immigrants, gambling, environment degradation, illegal Renminbi (RMB) circulation, and money laundering exist along the border.

### **Objective 3: Enhancing China's Energy Security**

China's booming economy has increased its demand for oil and natural gas.<sup>10</sup> Its dependence on imported oil reached 50 per cent in 2008, up from 34 per cent in 2003, and is expected to reach 60 per cent by 2020.<sup>11</sup> Most significantly, about 80 per cent of its imported oil passes through the Straits of Malacca.<sup>12</sup> China's oil security would be severely threatened if the Straits of Malacca became impassable.<sup>13</sup> Therefore, it is important for China to develop alternative energy supply routes to reduce the excessive reliance on the Straits of Malacca. The proposal for a China-Myanmar oil pipeline was formally made by Chinese scholars in 2004. The idea is to have the crude oil imported from Middle-East and Africa transported overland via Myanmar to Yunnan. Myanmar may also become an important source of natural gas for China. At present, Myanmar is the world's tenth largest natural gas exporting country. The proven natural gas reserves are about 2.54 trillion cubic metres,<sup>14</sup> equivalent to China's proven natural gas reserves.

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<sup>10</sup> China became a net oil importer in 1993.

<sup>11</sup> "China Oil Dependence Sparks Concern", *Radio Free Asia*, 5 Jan. 2009 at <[http://www.rfa.org/english/energy\\_watch/china-oil-01052009154646.html](http://www.rfa.org/english/energy_watch/china-oil-01052009154646.html)> See also "China's dependence on Imported Oil Increases", *China Daily*, 22 June 2007.

<sup>12</sup> "India Targeting China's Oil Supplies", *Telegraph* (UK), 22 Sept. 2008.

<sup>13</sup> This may be due to non-traditional security factors such as terrorist attacks, piracy, maritime collisions, oil leakages, limited navigation capacity, and overcrowding of sea routes. The "Malacca Dilemma" advocated by Chinese scholars in recent years is based on the premise that a confrontation would occur between China and the US. However, the US navy can attack Chinese oil tankers at any location and need not confine such attacks to the Straits of Malacca. Therefore, the "Malacca Dilemma" based on a China-US confrontation has little validity. This dilemma is more applicable to non-traditional security issues.

<sup>14</sup> "Zhengqu miandian tianranqi zhongguo zhan shangfeng" (Securing Myanmar's natural gas, China Has Upper Hand), *Lianhe Zaobao*, 15 Mar. 2007.

### **Objective 4: Promoting Economic Cooperation between China and Myanmar**

Myanmar is not only an important source of natural resources for China but it also provides crucial access for enterprises in southwest China wanting to “go global”. China needs massive imports of raw materials from abroad as well as new distribution markets for its economic development. In this regard, the Chinese government has accelerated the opening of the inland and border areas after the remarkable economic growth of the coastal areas.

Myanmar has abundant water, energy, timber (especially teak and rosewood), gems, boulders, nonferrous metals (such as copper, iron, manganese, and tin), and land. With a vast territory of more than 670,000 square kilometres, Myanmar is an important investment and distribution market. While the present level of economic cooperation is small compared to China's vast economy, Myanmar is particularly important to southwest China especially Yunnan.<sup>15</sup> Moreover, if the China-Myanmar land-and-water transport network is opened after the oil pipeline is completed, Myanmar will become the land bridge<sup>16</sup> or trade channel for southwest China to access Southeast Asia, South Asia, Europe, and Africa. By obviating the need to pass through the Straits of Malacca, the travel distance will be cut by 3,000 km and travelling time will be reduced by five days.<sup>17</sup> Hence, China's “two-ocean strategy” not only fulfils a military function, but is also a vehicle for the country's economic ambitions as pointed out by some foreign analysts.<sup>18</sup>

### **Objective 5: Coping with India's Rise**

India aspires to be a big power with a major place in the international community. As a big neighbour with whom it fought a border war in the 1960s, China looms large in India's calculations of its strategic interests. India regards China more as a competitor than a collaborator. While relations between the two have improved in recent years, there remain undercurrents of suspicion. To India, Myanmar is an important partner in suppressing the minority insurgents in

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<sup>15</sup> Yunnan shares a boundary of about 2,000 km with Myanmar.

<sup>16</sup> Poon Kim Shee, “The Political Economy of China-Myanmar Relations: Strategic and Economic Dimensions”, *Ritsumeikan Annual Review of International Studies* 1, no. 10 (2002):35.

<sup>17</sup> Liu Xing, “Retrospect and Reflection on China-Myanmar Land-and-Water Coordinated Transport Construction”, *Collection of Papers at the Dehong Forum on Yunnan-Myanmar Harmonious Development – 50th Anniversary of China-Myanmar Border People* (Dehong: Dehong Minority Press, 2007), p. 114.

<sup>18</sup> “Beijing's ‘Two Oceans Policy’ Looms Large”, *The Irrawaddy*, 9 Mar 2009 at [http://www.irrawaddy.org/article.php?art\\_id=15268](http://www.irrawaddy.org/article.php?art_id=15268) [June 2009]

northeast India, the bridge for India's implementation of its "Look East" policy, an important energy resource import base and a barrier to prevent China access to the Indian Ocean.

India's policy towards Myanmar shifted from idealism to realism since 1993. India has competed with China in Myanmar and attempted to stop Myanmar from developing land-and-water coordinated transport cooperation with China. For its part, China is committed to pursuing its own strategic interests *vis-à-vis* Myanmar. Some scholars regard the relationship as similar to the China-Pakistan relationship in which Myanmar or Pakistan is seen as a buffer country between China and India.<sup>19</sup> Yet to China, the significance of Myanmar is different from Pakistan.<sup>20</sup>

### **Objective 6: Maintaining Brotherly Relations with Myanmar**

Although there had been wars between China and Myanmar in the past, relations are currently friendly on the whole. The fact that the Burmese used to call China *Pauk Phaw* (brothers) underscores the close ties between the two countries. Myanmar's Kongbaung Dynasty once paid tribute to the Qing Dynasty, and some of Myanmar's local chiefs were conferred by the governments of the Yuan and Ming dynasties. The Qing Dynasty had tried to assist Myanmar when it was invaded by Britain, but the attempt was in vain due to the Qing government's own weakness at that time. To some extent, the emphasis by China on its relations with Myanmar after 1949 reflects the linkage of history and culture between the two countries.

Moreover, China is the world's largest developing country. Consolidating and developing cooperation with other developing countries is therefore a cornerstone of China's foreign policy. Myanmar has come under harsh criticism in the West for its abuse of human rights and lack of progress towards democracy. Rather than jump on the bandwagon, China has stressed the importance of non-intervention in the internal affairs of other countries, Myanmar included. China seeks to maintain a reasonable and fair image in the eyes of developing countries.

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<sup>19</sup> Yuh-Ming Tsai, "Liangyang tuwei: zhongguo dui miandian waijiao zhengce zhi yanjiu," (Two Oceans Breakout: A Study on China's Foreign Policy towards Myanmar), *Feng Chia Journal of Humanities and Social Sciences*, 8 May 2004, p. 317.

<sup>20</sup> The national interests of China in Pakistan are mainly to ensure the security of northwest China, especially the Xinjiang region and responding to India's threat.



## **China's Policies towards Myanmar**

Adhering to the Five Principles of Peaceful Co-existence and the basic principles of United Nations Charter in its relations with Myanmar, China has improved its bilateral relations and promoted bilateral cooperation in various fields (such as politics, economics, military and security, science, education, cultural, and health) on the basis of equality and mutual benefit.

### **(a) Political Development and Democratisation in Myanmar**

China would like to see a stable, democratic, reconciled, and developing Myanmar. China is in favour of the military government's efforts to promote domestic political processes, safeguard national stability, and improve people's livelihood. It also hopes that Myanmar can achieve democracy at an early date. In this regard, China has welcomed steps by Myanmar to accelerate the implementation of the "seven-step roadmap to democracy" and within a specific time frame. China supported Myanmar's referendum on the draft constitution in May 2008 and referred to it as "a significant step from a military government to an elected government".<sup>21</sup>

When the abortive Saffron Revolution broke out in September 2007, China's approach could be described as one of restraint. It called on the military government to maintain domestic stability, properly address related issues, vigorously promote national reconciliation, and "unswervingly advance the process of democratisation suited to the national realities of Myanmar".<sup>22</sup> The Chinese government further appealed to the international community to handle current issues in Myanmar properly and not complicate it further, jeopardising the stability of Myanmar and the peace and stability of the region.

### **(b) Myanmar's Minority Issue and Border Management Especially with Respect to the Armed Ethnic Minority Forces in Northern Myanmar**

The Burmese People's Army, previously led by the BCP, separated into four local ethnic minority armed groups following the disintegration of the BCP in October 1989. They reached a political reconciliation with the military government whereby the areas they controlled became Special Administrative Regions of

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<sup>21</sup> "Myanmar to Hold National Referendum in May and General Election in 2010", *People's Daily*, 10 Feb 2008.

<sup>22</sup> "State Councillor Tang Jiaxuan Meets with Special Envoy of SPDC Chairman of Myanmar", China's Foreign Ministry Website, 13 Sept. 2007 at <<http://www.mfa.gov.cn/eng/wjlb/zzjg/yzjg/jlb/2747/749/t363133.htm>>.

Myanmar. In 1990, the Chinese government issued the “Regulations on Specific Policies towards Myanmar’s Armed Ethnic Minority Groups”, according to which China would give no “political recognition, military support or economic assistance” to the armed ethnic minority groups but can regard them as “Myanmar’s local authorities temporarily and conduct general business based on the actual situation; take the opportunity to do more constructive work with their leaders under certain circumstances, but ensuring that this does not go too far.”<sup>23</sup>

Soon after, China had to grapple with the drug proliferation problem brought about by the armed ethnic minority groups in the north of Myanmar. Three different policy orientations surfaced among the relevant departments and scholars in China on how to respond. The first view is to actively cooperate with the military government to realise national unity by cracking down on drug trafficking activities, thereby guaranteeing the long-term stability of the border. The second view favours the existence of the northern armed ethnic minority groups and regards them as a buffer between China and the military government. The third view advocates a hands-off policy even though these armed ethnic minority groups had close contacts with China in the past—how to manage them today is an internal matter and China should not get involved. This third view is more dominant though the other two views are also occasionally heard.

Only less than 300 km of the border is under the direct control of the military government. Illegal activities like smuggling, drug trafficking, migration, and criminal acts along the border are rampant. Despite signing an agreement on border areas management and cooperation in March 1997, there has not been any significant improvement.<sup>24</sup> To tighten border control, China assigned the people’s Liberation Army (PLA) to replace the armed border police along the border in 2003. In December 2004, Ge Zhenfeng (the PLA’s deputy chief of staff) and General Thura Shwe Mann (Myanmar Armed Forces chief of general staff) signed the “Memorandum of Understanding on Establishing Mechanism for Meetings, Talks and Contacts between Chinese and Myanmar Armies to Deal with China-Myanmar Border Affairs”.

Since 2005, when the Chinese government decided to ban Chinese from going abroad for gambling, the immigration controls along the border have become stricter. Chinese citizens who wish to enter Myanmar from the land

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<sup>23</sup> Yu Jiang and Wang Chaozuo, “Dui zhongmian bianjing guanli zhong yu miandian difang minzu wuzhuang shili kaizhan jingwu hezuo de sikao,” (Reflection on Policy Cooperation with Myanmar Local Minority Armed Forces in China-Myanmar Border Management), *Journal of Yunnan Public Security College* 1(2001): 67–68.

<sup>24</sup> This agreement is known as The Agreements on China-Myanmar Border Management and Cooperation between the Governments of People’s Republic of China and the Union of Myanmar.

crossings must go to the Yunnan Border Armed Police Station to apply for border passes. They must also enter and exit at a required time from the specified point of entry. Despite these tightened measures, illegal activities cannot be completely eradicated as there are too many access routes along the border.

### **(c) The Opposition National League for Democracy (NLD) and Other Key Social Organisations**

China supports the promotion of democracy within Myanmar suited to local conditions. Its consistent stand is that a resolution of the Myanmar issue will ultimately depend on the military government and people finding a solution through dialogue. It therefore regards the handling of Aung San Suu Kyi as an internal matter between the military government and the opposition NLD.<sup>25</sup>

China also engages other political organisations and social groups in Myanmar. The Union Solidarity and Development Association (USDA) is the largest social organisation with more than twenty-four million members. It is likely to form one or two new political parties in 2009 to contest the 2010 general elections. In other words, the USDA will provide the political base for the military junta to continue to be in power. Given its importance, the Chinese government has assigned the China Association for International Understanding to promote exchanges and cooperation with USDA. There are also exchanges between women associations and other social groups, but their ties are not as significant as that between the China Association for International Understanding and USDA.

### **(d) Myanmar's Economic Development and China-Myanmar Economic Cooperation**

In order to help Myanmar modernise, China has shared its reform and opening up experience with the military government. When top Myanmar leaders visit, China arranges tours of economically developed cities such as Beijing, Shanghai, Guangzhou, and Shenzhen to see how they have prospered by opening up. Nevertheless, China's development experience may have limited impact due to the economic blockade imposed by Western countries and Myanmar's fear of falling under the sway of powerful foreign investors.

China attaches importance to developing investment, trade, economic, and technical cooperation with Myanmar. During Jiang Zemin's visit to Myanmar

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<sup>25</sup> Staff at the Chinese Embassy in Myanmar and Aung San Suu Kyi frequently met before her first house arrest in July 1989. It is also said that the Chinese Embassy has had contact with her during a second round of talks between her and the military government in 2000. Such contacts would not have been possible without permission from the military government.

in 2001, the two sides identified agriculture, human and natural resource development, and infrastructure as priority areas for cooperation. At present, China and Myanmar cooperate closely on energy, transportation, communication, and other key projects such as the China-Myanmar oil and gas pipelines project.<sup>26</sup> The China-Myanmar railway is another high profile project.

China has been providing Myanmar with free assistance (including foreign exchange, equipment, and technology) and low-interest or interest-free loans since 1988. This has increased with China's economic growth. China has also expanded its economic and trade ties with Myanmar. Under the China-ASEAN Free Trade Area, 110 types of Myanmar goods have been entitled to duty-free access to China from 1 January 2004. Some 90 per cent of Myanmar's goods currently enjoy duty-free access to China.

Beijing promotes economic cooperation with Myanmar on the principle of equality and mutual benefit, and views it as important in strengthening political ties. The central government's stance, however, does not necessarily coincide with the interests of the Yunnan government. While economic cooperation with Myanmar pales in comparison to the size of China's economy, it is important for Yunnan's development especially for its bordering localities. For example, trade with Myanmar is the main revenue generator for Dehong. Also, the revenue from the day trips across the border can account for as much as a third of the revenue of some bordering counties during the peak travelling season. That is why most border counties disagree with the central government's ban on border tourism which is aimed at stopping people from gambling.

For a long time, Yunnan and especially its bordering counties sought to maximise their economic interests in dealing with Myanmar. In the 1990s, the military government had already stipulated that only the central government had the right to exploit natural resources and not the governments of the minority Special Administrative Regions (SAR). Nevertheless, various enterprises from Yunnan have signed a contract directly with the SAR government or a company belonging to the SAR to engage in logging and mining.

In 2005, the Myanmar government protested strongly against the illegal logging and mining activities in the north. In response, in March 2006 China banned its citizens from going to Myanmar for illegal mining and logging activities, stopped the transport of timber and minerals from Myanmar, and

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<sup>26</sup> China attaches importance to energy cooperation with Myanmar. According to the signed contracts among China Datang Corporation, China Power Investment Corporation, and the military government, the total installed capacity of Myanmar's hydropower stations built by Chinese companies will exceed twenty million kilowatts in fifteen years. The total investment is expected to exceed RMB200 billion. In addition, it has been reported that China National Petroleum Corporation will invest USD2.55 billion to build the China-Myanmar oil and gas pipelines.

prohibited Chinese from migrating to Myanmar.<sup>27</sup> Yet, some agencies such as the commerce department of Yunnan tried to persuade the mining and forestry ministry in Myanmar to recognise the logging and mining contracts already signed with the armed ethnic minority groups. However, the military government rejected such overtures.

### **(e) Arms Sales and Security Cooperation with Myanmar**

China has actively pursued military and security cooperation with Myanmar since the military junta assumed power in September 1988 mainly in the following two fields:

- (i) Sale of weapons and military equipment**—These include missiles, fighter planes, warships, tanks, armoured vehicles, artillery, and radar.
- (ii) Staff training**—The training of Myanmar air and naval officers is largely confined to teaching them how to use the weapons and military equipment from China.

China's military and security cooperation with Myanmar has certain distinctive characteristics. First, China mainly sells missiles, aircrafts, and other heavy weaponry but not rifles, pistols, submachine guns, or other light weapons to Myanmar. This is to deflect criticism from the international community that the military junta uses weapons from China to suppress its people. Second, China sells arms to Myanmar merely to enhance Myanmar's defence capabilities. China does not encourage Myanmar to engage in any armed confrontation with other countries and is opposed to Myanmar developing chemical, biological or nuclear weapons, or other weapons of mass destruction. Third, China does not object to Myanmar buying weapons and military equipment from other countries. In fact, Myanmar has purchased arms from India, Pakistan, and North Korea. Fourth, China respects Myanmar's sovereignty. China has not set up any military bases in Myanmar. There is also no military intelligence-sharing agreement between the two. China and Myanmar has not mounted any joint security operations against other countries.

### **(f) Sanctions and Other Hard-lined Measures by Western Countries against Myanmar**

China is of the view that the Myanmar issue is the result of complex historical matters of contention and current realities. As Myanmar is a sovereign state, its internal affairs should be handled by the ruling and opposition parties through

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<sup>27</sup> As a result of this, more than 20,000 Chinese workers returned to China from Myanmar.

dialogue. The military government has the right to decide how to achieve national reconciliation by holding consultations with the relevant parties. China is willing to work with the international community and neighbouring countries to promote national reconciliation in Myanmar on the basis of respecting Myanmar's sovereignty. China is opposed to sanctions on Myanmar as they are counter-productive.

### **(g) Role of Major Powers and International Organisations in the Myanmar Issue**

While China appreciates mediation efforts undertaken by the UN secretary-general and UN special envoys among the differing parties in Myanmar, it is opposed to the UN issuing any resolutions on Myanmar. This is because China regards the Myanmar issue as an internal matter. China has urged the international community to be patient as the Myanmar issue cannot be resolved quickly. It has argued that if the UN Security Council issues any resolution on Myanmar, it would exceed its duties entrusted by the UN Charter and undermine the role and authority of the Security Council. On this basis, China voted against the UN Security Council's draft resolution on Myanmar in January 2007.<sup>28</sup>

China also welcomes ASEAN's constructive engagement of Myanmar. China deems Myanmar's stability, development, and national reconciliation as being in line with the interests of China and the region, particularly ASEAN. China is ready to work with ASEAN or individual ASEAN members, such as Singapore, towards this end. As Myanmar is an ASEAN member, China also respects ASEAN's autonomy to resolve the Myanmar issue at the associational level.

For its part, China is prepared to play an active and constructive role in resolving the Myanmar issue. While China opposes other countries, such as the US and EU, from imposing their will on Myanmar, it recognises that these countries may have a role to play. China has always encouraged Myanmar to reach out to the international community. In June 2007, China arranged a

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<sup>28</sup> China, together with Russia, vetoed a Myanmar resolution put forward by the US and Britain in the UN Security Council. The resolution would have called on the military junta to "cease military attacks against civilians in ethnic minority regions and begin a substantive political dialogue that would lead to a genuine democratic transition". See UN News dated 12 January 2007 at <<http://www.un.org/News/Press/docs/2007/sc8939.doc.htm>>. Myanmar was most gratified with the Chinese veto. Its official TV station made a rare interruption in the normal news programme on 13 January 2007 to broadcast a message of thanks to China. Separately, China blocked an effort by the US and European countries to have the UN Security Council condemn Myanmar's violent crackdown on protestors in September 2007. See "China Blocks Move to Condemn Crackdown", *New York Times*, 27 September 2007.

ministerial-level dialogue between the US and Myanmar at their request. After the Saffron Revolution erupted in September 2007, Chinese Premier Wen Jiabao contacted US President George W. Bush, Japanese Prime Minister Yasuo Fukuda, and British Prime Minister Gordon Brown by phone to discuss the situation in Myanmar and the measures to take. In December 2007, China expressed its willingness to maintain communication with the EU to resolve the Myanmar issue.

### **(h) Cooperation in Culture, Education, Religion, Science and Technology, and Health and Sports**

China views strengthening cooperation with Myanmar in culture, education, religion, science and technology, and health and sports as important in enhancing the friendship between the peoples of the two countries. The scope and depth of these exchanges is among the most intense in China's interactions with other Southeast Asian countries.

In the cultural field, the two countries regularly send delegations comprising musicians, singers, dancer, acrobats, film stars, and media personnel to give performances. They also jointly organise photo exhibitions. In January 1996, China and Myanmar signed a cultural cooperation agreement. In education, China has done much to attract Myanmar students to study in China. China also provides scholarships to Myanmar students to pursue graduate studies. In November 2006, China and Myanmar signed the "Agreement on 19 Myanmar Students Study Aviation for PhD Degrees". At present, there are about 1,000 Myanmar students in China who are mainly in Yunnan, Guangdong, Wuhan, Shanghai, and Beijing. Besides exchanging personnel and training, the Chinese government also donates equipment.

China also attaches importance to building ties with the Buddhist community in Myanmar. Besides visits between the leaders of the two countries' Buddhist communities, China has also sent students to study in Myanmar's Buddhist University. Apart from the Myanmar language and literature, Buddhism is also an important area to major in for Chinese students studying in Myanmar; China actively cooperates with Myanmar in promoting the practice of Buddhism. In 1994 and 1996, the Buddha tooth relic, enshrined in a sacred miniature pagoda and protected by bulletproof glass, was sent from China to Myanmar. It was warmly received by the government and people.

### **(j) Non-traditional Security Issues between China and Myanmar**

With the signing of the border agreement in 1960, Myanmar became China's first neighbouring country to resolve the border issue with China. Nevertheless,

since the present military junta assumed power in September 1988, cross-border issues such as illegal immigration, drug manufacturing and trafficking, gambling, transnational crimes, goods smuggling, resource over-exploitation, environmental destruction, the spread of infectious diseases (e.g. SARS, avian flu, AIDS/HIVS), and other non-traditional security issues have become the main problems affecting relations between the two countries.

While illegal immigrants originate from both China and Myanmar, the flow from China into Myanmar is greater. Officially, China prohibits its citizens from migrating into Myanmar illegally. In reality, this is difficult to enforce as there are many other ways to enter each other's territory besides the border checkpoints. The border guards and PLA can guard only the main channel and patrol other border crossings according to a specific time. The local criminal elements are aware of such timings and use the crossings only after the patrols have left the area. According to one estimate, there were about 40,000 Chinese residing illegally in Kokang, Myanmar in 2001.<sup>29</sup>

After the BCP disintegrated in 1989, the drug manufacturing centre of the Golden Triangle shifted from the Thai-Myanmar border areas controlled by Khun Sa to the China-Myanmar border areas under the control of four armed ethnic minority groups. The drug situation worsened thereafter. In response, China launched a comprehensive strategy of "political persuasion, legal pressure and economic alternative" to persuade the armed ethnic minority groups to do more to combat the drug problem in areas under their jurisdiction. As these minority areas rely largely on the drug economy, the relevant departments of Yunnan only requested them not to traffic drugs into China, while leaving open the possibility of these drugs flowing to other countries.

China and Myanmar also cooperated in tackling drug production and trafficking. In May 2006, they signed "The Cooperation Agreement between the PRC and the Union of Myanmar on the Prohibition of Illegal Trafficking, Abuse of Narcotic Drugs and Psychotropic Substances". China has also encouraged substitute cultivation or "green anti-drug programs" in Myanmar. Since the early 1990s, China has guided Chinese enterprises in cultivating sugar cane, rice, maize, cassava, and tropical fruits to replace opium poppy cultivation in the north and allowed these substitute crops entering the Chinese market to be exempted from tariffs and import value-added tax.<sup>30</sup>

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<sup>29</sup> Yu Jiang and Wang Chaozuo, "Dui zhongmian bianjingguanli zhong yu miandian difang minzu wuzhuang shili kaizhan jingwu hezuo de sikao," (Reflection on Policy Cooperation with Myanmar Local Minority Armed Forces in China-Myanmar Border Management), p. 69.

<sup>30</sup> This is according to the Economic and Trade Office document (no. 287) issued by the General Office of China's State Development Planning Commission in February 2000.



In December 2004, the State Council formulated the "Plan of Further Supporting the Fight against AIDS and the Work of the Anti-Drug Programme in Yunnan Province" following a report submitted by Yunnan's party secretary Bai Enpei. A National Working Group was formed to focus on encouraging Chinese enterprises to implement alternative cultivation in the northern parts of Myanmar and Laos, as well as to formulate policies and measures for managing the import/export of chemicals needed to produce drugs.<sup>31</sup> In April 2006, the State Council issued more specific guidelines in northern Myanmar and Laos in areas such as the buying back of the alternative crops grown, preferential tax, and financial schemes. The substitute cultivation special fund was raised from RMB500,000 to RMB50 million every year. A goal was set to eradicate poppy cultivation outside Yunnan within fifteen to twenty years.<sup>32</sup>

The northern armed ethnic minority groups derive their revenues from three main sources: manufacturing and selling drugs, opening casinos, and the selling of timber and minerals. Due to pressure from China, the Myanmar government, and the international community, the northern armed ethnic minority groups have taken practical steps since the mid-1990s to gradually reduce opium poppy cultivation, drug production, and trafficking. Simultaneously, the timber and mineral resources in these areas are declining. Hence, setting up casinos to attract Chinese tourists has become an important revenue source. Also, from the perspectives of the local government in Yunnan's border cities, the gamblers are not mere gamblers but, more importantly, are tourists who spur local tourism and generate employment. Hence, the local governments take the gambling ventures very seriously and even provide electricity, water, or communication services for Myanmar casinos. The management of illegal migration of gamblers is not strict.<sup>33</sup>

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<sup>31</sup> This working group comprised ten departments and agencies including the Ministry of Commerce and Ministry of Public Security.

<sup>32</sup> However, the Ministry of Public Security and the Ministry of Commerce have different opinions about the concept and management of substitute cultivation. The Ministry of Public Security prefers substitute cultivation to be confined to the original opium poppy planting areas and holds the view that substitute cultivation must be separate from the economic and trade cooperation between Chinese and Myanmar or Laos. In contrast, the Ministry of Commerce views substitute cultivation as an integral part of China's "going out" strategy of encouraging Chinese enterprises to invest abroad. Hence, substitute cultivation ought to be elevated to a higher-level of "alternative industries" or "alternative economy". Only in this way can poppy cultivation be eradicated. Therefore, substitute cultivation should not be confined to the areas where opium poppy is planted.

<sup>33</sup> In recent years, a large number of on-line gambling networks have surfaced in northern Myanmar. This has complicated the task of the Chinese central government to curb illegal gambling.

The armed ethnic minority groups continue to trade timber and minerals with Chinese enterprises in return for goods and funds. Although Beijing has instructed its enterprises going abroad to abide by their host countries' regulations, China has no specific law to punish enterprises for damaging the local ecological environment. It is also difficult to enforce punishment. Indeed, the collusion between some Chinese enterprises and armed ethnic minority warlords has caused serious ecological damage to the environment in northern Myanmar.

Myanmar's health and epidemic prevention system is also far from perfect. It is unable to monitor and control diseases such as dengue fever or other infectious diseases such as SARS, avian flu, and AIDS. The health and epidemic prevention system in the border cities of Yunnan is also relatively weak. Since 2004, the Chinese government has strengthened its efforts to prevent and control diseases in Yunnan. China has also provided some assistance to Myanmar and stepped up cooperation between the two countries in this area.

China has also been quick to render assistance to Myanmar when natural disasters have struck. In May 2008, Cyclone Nargis hit the Irrawaddy Delta, causing extensive loss of lives and damage to crops and housing. China sent a fifty-member medical team to Myanmar and made three separate donations worth USD1 million, USD30 million, and USD10 million to support Myanmar's disaster relief and post-disaster reconstruction.

## **Challenges of China's Policies towards Myanmar**

As mentioned above, relations have expanded into many areas and also deepened. For its part, the military government regards these relations as the most important among all of its various bilateral relations. Myanmar also adheres steadfastly to the "One China" policy.<sup>34</sup> But China's policies towards Myanmar are not problem-free because the local Chinese governments have not fully enforced central government policies. There are many illegal actions committed by Chinese individuals and enterprises in particular, which have complicated relations. China is also under intense international pressure to do more to push Myanmar towards democracy and to improve its human rights record.

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<sup>34</sup> During the visit of Politburo Standing Committee member Li Changchun to Myanmar in March 2009, Lieutenant General Thiha Thura Tin Aung Myint Oo (first secretary of Myanmar's State Peace and Development Council) said that actively developing friendly cooperation in all fields between Myanmar and China and persevering in the "One China" policy are the basic points in Myanmar's policies towards China. See "Li Changchun yu Miandian heping fazhan weiyuanhui diyi mishuzhang huitan" (Li Changchun Holds Talks with Myanmar's Peace and Development Council First Secretary), *Xinhua News*, 27 Mar 2009 at <<http://news.sohu.com/20090327/n263034738.shtml>> [June 2009]

## Myanmar's Grievances

### (i) Economic Cooperation

The Myanmar military government distrusts foreign investors and believes they have a hidden agenda to exploit its rich natural resources for their own selfish gains. Such distrust is due to its colonial past and its perception that developing countries are in a disadvantageous position in the existing world order. At present, no Myanmar organisation or individual can sign contracts related to resource exploitation with foreign companies without the permission of the military government.

To be sure, some county governments in Yunnan are aggressively exploiting resources in Myanmar. The timber on the Myanmar side of the border has already been cut down by Chinese enterprises. At its height, there were more than 20,000 Chinese involved in logging and mining activities in Myanmar. Minerals exclusively controlled by the military government were exploited and exported to China. Consequently, some senior leaders within the military government have the perception that economic cooperation is actually a cover for China to deplete Myanmar's resources, and they disapprove of deeper cooperation.

Smuggling along the border is bi-directional and serious. Products smuggled from Myanmar to China include cars, wild animals (protected in China), and resources such as timber<sup>35</sup> and boulders (forbidden to be exported by Myanmar). Products smuggled from China to Myanmar include precursor chemicals and other goods that Myanmar cannot produce. In general, more products are smuggled from China to Myanmar. Such smuggling activities translate into huge losses in revenue and foreign exchange for Myanmar. Thus, the military government has asked to transform the haphazard cross-border trade into one transacted in dollars.<sup>36</sup>

China is presently Myanmar's second largest trading partner after Thailand.<sup>37</sup> Yet, Myanmar consistently runs a burgeoning trade deficit *vis-à-vis* China. Myanmar does not appear able to counter this trend given the underdeveloped nature of its economy which is exacerbated by sanctions imposed by the Western

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<sup>35</sup> According to the vice-general manager of the Myanmar Forestry Company, the export value of the company in financial year 2005–2006 was USD479 million. In comparison, over the same period, the estimated value of logs entering China illegally over the border reached USD300 million. See “Mianbao baodao zhongfang jinzhi Miandian mucai jinru Zhongguo Yunnan bianjing” (Myanmar newspaper reports that Chinese Side Has Banned Timber from Myanmar to cross Yunnan's border), News article at the Chinese Embassy in Myanmar's Website, 16 June 2006 at <<http://mm.mofcom.gov.cn/aarticle/jmxw/200606/20060602448958.html?1473013963=100947937>> [June 2009]. It is also worth noting that Chinese enterprises never take part in the twice yearly public bidding for logs by military government.

<sup>36</sup> This will provide a means for the military government to earn precious foreign exchange.

<sup>37</sup> “Sino-Myanmar Bilateral Trade up 60%”, *The China Post*, 4 Nov. 2008.

countries. Consequently, Myanmar suffers from a small market, a lack of capital, uncompetitive enterprises, and a non-conducive investment environment. The materials it can export are limited and are mainly primary products without any added value. The mounting trade deficit may in future become a political issue between the two countries.

*(ii) Activities of Illegal Immigrants from China*

Illegal immigrants will become an important issue affecting relations in the future. The illegal immigrants from China to Myanmar can be divided into two groups: one group comprises Chinese citizens leaving China illegally for Myanmar; the other comprises Chinese citizens who go to Myanmar to work legally in accordance with cooperation agreements signed by the Yunnan local governments and armed ethnic minority groups. As the governments of the minority SAR have no authority to grant foreign companies logging and mining rights in the area, the military government regards the Chinese people who engage in such activities as illegal immigrants.

There are several reasons for a large influx of Chinese migrants to Myanmar. First, it is very easy to survive in northern Myanmar. The area is scarcely populated, and the wide land and good climate are conducive for settlement. Being less exposed to the modern economy, the local people are less adept at working and managing things. Hence, the Chinese consider the area a good place to earn a living, even if it means going there illegally and dealing in drugs. Second, there are many armed minority groups in the north not under the effective control of the military government. Many criminals from China go to Myanmar to evade punishment. Third, some Chinese who want to leave for other Southeast Asian countries or Western countries use Myanmar as a gateway. For various reasons, some of them find themselves staying in Myanmar for a long time. Fourth, the armed ethnic minority groups enlist and seize so-called foreign talent related to the fields of management, business, and science and technology through various means. Some Chinese immigrants become mercenaries in the armed ethnic minority groups. Some even obtained Myanmar nationality illegally. Fifth, the illegal flow from China into Myanmar is difficult to curb as the border is long and porous. The exact number of illegal Chinese immigrants in Myanmar at present is hard to pinpoint.<sup>38</sup>

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<sup>38</sup> Some scholars and relevant Chinese government departments believe that there were about 800,000 Chinese in Myanmar before the present government assumed power in September 1988. According to statistics provided by the Chinese Embassy in Myanmar, there are presently 2.3 million Chinese in Myanmar. Other estimates put the figure at 3 million. We expect a significant proportion of these Chinese are illegal immigrants.

Many Chinese workers and illegal immigrants have now moved near the Myanmar-India border areas. Chinese merchants prefer to hire Chinese instead of Myanmar people. This has caused unhappiness on the part of the military government and people. The tough action taken by the military government reflects this displeasure. A large number of Chinese illegal workers have been arrested and punished by the Myanmar army. Some Chinese caught mining and logging illegally in Myanmar have been beaten up and even killed. This usually occurs in areas controlled by the military government.<sup>39</sup> Myanmar has ignored China's strong diplomatic protests against such harsh treatment.

Moreover, the Chinese in Myanmar are said to be responsible for more than 80 per cent of criminal activities in Yangon. More often than not, the Myanmar police arrest the perpetrators and torture them first before informing the Chinese Embassy.

### (iii) Relations between China and Armed Ethnic Minority Groups

During the Cold War, China not only supported the BCP but also aided some anti-government minority armed forces like the Kachin minority. The People's Armed Forces led by the BCP subsequently broke up into the United Wa State Army, Myanmar National Democratic Alliance Army, New Democratic Army-Kachin, and National Democratic Alliance Army. Despite signing ceasefire agreements with the military government, these ethnic armed minority forces still pose a threat to the government. Some leaders of the armed ethnic minority groups originate from China, so they have closer relations with China in political and economic terms. Many leaders also have invested and have their own residence in China. If they fall sick, they usually seek treatment and recuperation in China. Some local officials in the Yunnan border areas have close ties with the armed ethnic minority groups because they share the same ancestor. The military government keeps close tabs on such interactions. There is a lingering fear that China could make use of its links with the armed ethnic minority groups to pressure the Myanmar military government and, worse still, undermine its authority should relations between the two countries deteriorate.

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<sup>39</sup> The Myanmar army also often attacks Chinese workers in areas under the jurisdiction of the armed ethnic minority groups. Without proper travelling documents, these workers often land in prison for many years for illegal entry and residence. After serving time, they are then sent back to China. The military government is fearful that if the influx of illegal immigrants from China is not controlled, the social and economic tensions and conflicts between these immigrants and the local people will worsen.

*(iv) The Drug Problem and Chinese Enterprises' Substitution Plantation*

Myanmar has been the main drug producing country in the world.<sup>40</sup> Although the planting area and opium output have decreased in recent years, the output of amphetamine-type drugs like “ice” and MDMA (ecstasy) has dramatically increased, exceeding that of heroin. Myanmar has been under intense pressure to curb the drug problem. The annual report on the drug situation published by the US condemns Myanmar’s seeming lack of action on this front.

China has also urged Myanmar to do its best to curb the drug problem because of its serious negative impact on China. However, Myanmar has its own opinion on this issue. First, Myanmar is of the view that the chemic elixirs for making heroin, ephedrine for making “ice”, and related equipment originate from foreign countries, mainly China, and the consumer markets are outside of Myanmar. Thus, Myanmar should not be the only one taking responsibility for the drug problem. Myanmar has stressed that without the smuggled chemical elixirs there would be no drug problem in Myanmar. Myanmar has even complained that China has not done a good job in controlling the flow of chemical elixirs.

Second, the military government does not support China’s efforts to wean farmers away from poppy production and develop substitute plantations instead. It would prefer to use the drug problem as an excuse to suppress the armed ethnic minority groups and open talks with the Western countries. It also seeks to weaken the armed ethnic minority groups by imposing an economic stranglehold in areas controlled by them. Developing substitute plantation would increase the income of the armed ethnic minority groups.<sup>41</sup>

Anti-drug cooperation between Myanmar and China has been difficult. On the one hand, by cooperating with the military government, China would be openly accused of forsaking the interests of the ethnic armed minority groups. There is also no guarantee that any financial aid rendered by China would be used for drug eradication and not suppression of the armed ethnic minority groups. On the other hand, by cooperating with the ethnic armed minority groups, China would be seen as interfering in Myanmar internal affairs and undermining the authority of the military government.

*(v) Distrust of China – Myanmar Military Government Seeks to Balance China, India, and ASEAN*

Myanmar’s first premier, U Nu, once said that although China and Myanmar are vegetarians and will not invade each other, China is an elephant and Myanmar

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<sup>40</sup> It was the biggest producing area for opium and heroin in the world from the late 1980s to the late 1990s. It tailed Afghanistan in 2000, but re-assumed top spot in 2001 and 2002.

<sup>41</sup> The military government supports developing substitute planting in areas controlled by it.

is a sheep. If the elephant is angry, the sheep will be afraid of it. Myanmar leaders also vividly remember China's support for the BCP in overthrowing the Myanmar military government in the past.<sup>42</sup> With China's rapid economic rise, Myanmar is eager to get Chinese investment and aid, and to enlarge trade with China. At the same time, Myanmar is afraid that with more Chinese investment, it will become more dependent on China and that China will then have more leverage over Myanmar.

Leaders of the military government never go to China for medical examinations and treatment. Before the 1990s, this may be understandable as Chinese medical skills were not advanced. Today, the medical skills and equipment in China's top-notch hospitals are not far behind those of other countries. Yet, Myanmar military leaders continue to seek medical services in countries such as Singapore. The military government and business communities have chosen Singapore as the place for all their US dollar transactions since 2003 when the US forbade its dollars from being brought in and out of Myanmar. The Singapore dollar has since become an important foreign exchange earner for Myanmar.

The military government does not always keep China informed of all the important policies and personnel changes within the country. It does sometimes communicate these changes with India, Thailand, and Singapore. For example, the Chinese did not know of Myanmar's Premier Khin Nyunt's dismissal until it was announced in October 2004. This was despite Khin Nyunt's earlier high-profile visit to China in July 2004. In May 2007, some foreign media even pointed out that China knew nothing about Myanmar's capital move in November 2005.<sup>43</sup>

#### (vi) Response of the Myanmar Common People and Armed Ethnic Minority Groups to China's Policies towards Myanmar

Before Myanmar's opening up in 1988, the Myanmar people referred to the Chinese as *Pauk Phaw* (brothers) and to the Indians as *Kala* (foreigners). More than twenty years later, this perception has been reversed due to the harsh realities on the ground. The Myanmar people trusted the Chinese in 1988 when they conducted cross-border trade. They did not sign any formal contracts. The price, quantity, delivery schedule, billings, and so on were agreed verbally. But the Myanmar people were often cheated by the Chinese. In turn, the Myanmar people have also learnt to cheat the Chinese by not fulfilling the duties laid out in contracts.

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<sup>42</sup> Chen Qiaozhi, *A Study on ASEAN Countries' Policy towards China since the Cold War* (Beijing: China Social Sciences Press, July 2001), p. 22.

<sup>43</sup> "Chinese Influx Stirs Age-old Hatred in Burma", *Reuters*, 12 Mar 2008 at <[http://www.irrawaddy.org/article.php?art\\_id=10822](http://www.irrawaddy.org/article.php?art_id=10822)> [June 2009].

Also, Chinese products once accounted for 50 per cent of the goods in Myanmar markets between 1988 and 1990. However, Chinese businessmen did not have a proper understanding of trade with Myanmar. They perceived Myanmar as an underdeveloped country where low-quality and cheap products could be dumped. The image and reputation of Chinese products were greatly affected. As a result, the penetration rate of Chinese products fell continuously. One Myanmar businessman complained that “Myanmar has become a resource base for China. We give China the best logs, gems and fruit. What do we get? We get their worst fruit and worst products”.<sup>44</sup>

Furthermore, Chinese workers in Myanmar do not seem to respect Myanmar religious belief and customs. This has aroused the resentment of the Myanmar people. For example, a Chinese company had assisted Myanmar in the building of a sugar refinery in a remote area sometime around 2004. The Chinese workers there apparently ate up all the poultry and livestock within a 10 km<sup>2</sup> radius of the factory. This affected the lifestyle of the residents in the area and left them with a bad impression of the Chinese workers.<sup>45</sup>

According to a Chinese university teacher attending advanced studies on the Burmese language in Myanmar, the Myanmar people angrily recall that sometime in 2006, a Chinese company donated six new engine locomotives to Myanmar Ministry of Rail Transportation. In return, this Chinese company asked the military government to give Myanmar’s earliest locomotive as a gift to them. The Chinese company subsequently sold this gift to a British Museum at a price much higher than the engine locomotives it donated. Although this event was not publicised by the media, the people in Yangon often cite this example to show up the Chinese for being too unkind and cunning.<sup>46</sup>

Since the disintegration of the BCP in 1989, China has placed priority on its relations with the military government especially after the latter signed ceasefire agreements with the armed ethnic minority groups. China has also expressed support for the military government to achieve national reconciliation and unity and to curb drug production and trafficking, and gambling. However,

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<sup>44</sup> “Zhongmei miandian jiaoli zhongguo shengchu” (China Tussels with the US in Myanmar, and China wins) see <<http://digest.icxo.com/htmlnews/2004/09/09/939867.htm>> [June 2009].

<sup>45</sup> In a separate incident in 2005, university students in Yangon protested against the destructive lumbering and mining done by the armed ethnic minority groups in northern Myanmar, the corrupt and incompetent Myanmar military government, and the plundering of resources by Chinese merchants. The Chinese government was embarrassed by this protest. See Yin Hongwei, “Zhongmian daji feifa muyemaoyi” (China and Burma Co-operate to Crack down on the Illegal Wood Trade), at <[www.nfcmag.com/articles/233](http://www.nfcmag.com/articles/233)> [June 2009].

<sup>46</sup> Interview with Mr. Zou Huaqiang, the Burmese teacher of Yunnan Nationalities University in December 2007 in Kunming.



these Chinese actions have made the senior leaders of the armed ethnic minority groups unhappy. They have complained that

China required us to bleed and sacrifice when they needed us in the past. Now we are not wanted, no one cares about our lives. They just ask us to prohibit drugs without considering our existence. Without substantive aid, how can we eradicate the drug problem? It is ridiculous that the Chinese central government allows Macao to open gambling houses on its own territory while not allowing Myanmar to do the same thing in its own territory. Is this not interference in other country's internal affairs?<sup>47</sup>

## China's Model of Constructive Engagement

The theoretical debate on the efficacy of isolating or engaging Myanmar has continued to rage inconclusively.<sup>48</sup> On one hand, there are those who believe that a hard-line approach involving sanctions is needed to pressure the military government to effect positive changes. On the other, there is the belief that encouragement and persuasion are more likely to engender positive outcomes. They argue that sanctions, which are blunt tools, will have a more adverse impact on innocent people than the military generals.<sup>49</sup>

Yet, such debates tend to underestimate the complexities on the ground. To be sure, the West, which traditionally has been associated with tough actions on Myanmar, does not readily agree on the efficacy of sanctions. Individual countries may also vary their positions depending on the circumstances. In June 2003, Australian foreign minister Alexander Downer reportedly said he did not think that sanctions were the answer as they have not changed the situation in Myanmar.<sup>50</sup> In an about turn, in September 2007, Downer announced financial sanctions against the Myanmar ruling generals and their families following the crackdown by the Myanmar military government on monks holding a peaceful demonstration.<sup>51</sup>

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<sup>47</sup> Interview with Mr. Liu Dageng, former head of the Sub-Office of the World Food Programme (WFP) based in the Wa region in June 2008 in Kunming.

<sup>48</sup> Rong-Yung King, "Dilemma and Prospect International Community Facing towards Myanmar Confrontation between the Government and the Public," *Issues and Studies* 42, no. 3 (May and June, 2003): p. 115.

<sup>49</sup> Christopher B. Roberts, "Myanmar and the Argument for Engagement: A Clash of Contending Moralities", *Institute of Defence and Strategic Studies Working Paper*, no. 108 (Mar. 2006).

<sup>50</sup> Downer was then responding to a decision by the military regime to put Aung San Suu Kyi under "protective custody" after her supporters reportedly clashed with opponents in northern Myanmar which left several dead. See "Myanmar: The case against sanctions", *Asia Times Online*, 20 June 2003 at <[http://www.atimes.com/atimes/Southeast\\_Asia/EF20Ae02.html](http://www.atimes.com/atimes/Southeast_Asia/EF20Ae02.html)> [June 2009].

<sup>51</sup> "Australia announces sanctions on Myanmar leaders", *Reuters*, 24 Oct. 2007.

The EU member countries also seem divided over tougher sanctions on Myanmar.<sup>52</sup> With respect to the trial of Aung San Suu Kyi that began in May 2009, it was reported that while Britain and most member states favoured increasing sanctions, others like Germany and Austria doubted their effectiveness.<sup>53</sup> The US also seemed to have tacitly admitted that its policy of sanctions against Myanmar may have to be tweaked.<sup>54</sup> US secretary of state Hillary Clinton while visiting Tokyo reportedly said in response to a question from a Myanmar student (on whether there were alternatives to the US sanctions policy and its effects on ordinary people in Myanmar), “because we are concerned about the Burmese people, we are conducting a review of our policy”.<sup>55</sup>

China, ASEAN, and India are all identified as having a policy of engagement with Myanmar. However, they all differ in their approaches. ASEAN in particular has prided itself on its principle of constructive engagement towards Myanmar for many years. Understandably, for various political reasons, what constitutes constructive engagement has never been clearly spelt out by ASEAN. It broadly refers to keeping open the channels of communication to Myanmar with a view to bringing about positive changes in the country over time. Various permutations of engagement are therefore possible under this broad definition.

ASEAN’s principle of constructive engagement has been refined over the years. More than a decade ago, in June 1998, Thai foreign minister Surin Pitsuwan called on ASEAN to adopt the concept of “flexible engagement” towards Myanmar, a tacit admission that the erstwhile policy of constructive engagement may need to be reviewed. “Flexible engagement” was intended to allow ASEAN governments to publicly comment on and collectively discuss fellow members’ domestic policies when these would have cross-border implications, i.e., adversely affect the disposition of other ASEAN states.<sup>56</sup>

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<sup>52</sup> In October 2007, the EU foreign ministers agreed to broaden sanctions that include visa bans and asset freezes on generals, government officials and their relatives, and to take new steps targeting Myanmar’s key timber, metals and gemstone sectors. See “EU agrees to strengthen Myanmar sanctions”, *Reuters*, 15 Oct. 2007.

<sup>53</sup> “EU split over tougher sanctions against Myanmar”, *EUBusiness*, 12 June 2009 at <<http://www.eubusiness.com/news-eu/1244812630.73>>[June 2009].

<sup>54</sup> Apart from the US government, doubts have also been expressed in the scholarly community about the efficacy of US sanctions against Myanmar which have generally tightened over the years. See Ian Holliday, “Rethinking the United States’ Myanmar Policy”, *Asian Survey*, 45, no. 4 (July–Aug, 2005), pp. 603–621.

<sup>55</sup> Clinton added that the US is looking “at what steps we could take that might influence the current Burmese government and we are also looking for ways that we could more effectively help the Burmese people”. See “US taking fresh look at Myanmar policy: Clinton”, *Reuters*, 17 Feb. 2009.

<sup>56</sup> Jurgen Haacke, “‘Enhanced Interaction’ with Myanmar and the Project of a Security Community: Is ASEAN Refining or Breaking with its Diplomatic and Security Culture?”, *Contemporary Southeast Asia*, 27, no. 2 (Aug. 2005), p. 189.

Although this concept was then rejected by the ASEAN governments, it now appears to have become accepted practice under the broad rubric of constructive engagement.<sup>57</sup>

Compared to ASEAN, China's engagement of Myanmar is far more active in view of its multi-faceted and multi-level cooperation. Yet, despite the intense level of interactions, coupled with its growing clout, China makes a conscious effort to avoid being overbearing on Myanmar. Keenly aware of the strong national pride of the Myanmar people, China occasionally offers suggestions as a friendly neighbour. These suggestions are meant to convince Myanmar of the benefits of adopting certain policies in line with both Myanmar's and China's interest. Below are some key features of the Chinese model and its rationale.

### **(a) Basic Features of the "Chinese Model"**

**(i) Regarding Myanmar as an equal partner.** China respects Myanmar as an equal partner despite the differences in economic and political standing. It refrains from taking the moral high ground and lecturing Myanmar. It actively provides the military government with feedback on how other countries view Myanmar. Consequently, it is relatively easy for the military government to accept China's views and suggestions.

**(ii) Providing necessary economic aid and developing cooperation in various fields.** Besides imposing sanctions, the West has called on the military government to completely surrender power. This has led to a stand-off and tense relations. Without developing political, economic, and security cooperation, they do not have leverage over Myanmar. In contrast, China maintains and expands its contacts with senior leaders in the military government, and develops cooperation with Myanmar in various fields. By keeping the communication channel smooth, China has a higher chance of influencing Myanmar when the situation calls for it.

**(iii) Non-interference in Myanmar's internal affairs.** China's non-intervention policy does not mean doing nothing. Rather, it advocates engagement and giving suggestions to the military government in a respectful and constructive manner. For instance, China encourages the military government to resolve differences

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<sup>57</sup> ASEAN members now generally consider it legitimate for the association as a whole to take an active interest in members' intra-state developments should these threaten the credibility of the grouping (particularly as regard relations with the dialogue partners) or the security of the wider region. Yet, this practice does not constitute ASEAN's abandonment of its non-interference principle. See Jurgen Haacke, "Enhanced Interaction", pp. 189–192.

with the opposition parties and the armed ethnic minority groups through consultation. China further encourages the military government to develop closer ties with the international community. In fact, China made great efforts to persuade Myanmar to accept the visit by UN special envoy Ibrahim Gambari in October 2007. China also succeeded in persuading Myanmar to accept relief aid from the US in the wake of the destruction caused by Cyclone Nargis. Furthermore, the confidential meeting of senior officials from Myanmar and the US in Beijing in June 2007 was brokered by China.<sup>58</sup>

**(iv) Respecting Myanmar's sovereignty, not seeking military bases in Myanmar.** The foreign media has reported that China is helping Myanmar build modern naval bases in Hangyi, Coco, Zadetkyi, Akyab, Mergui, and Kyaukryu to enhance China's capability to wage submarine warfare. They have also reported that China's navy and intelligence agency have installed monitoring devices on Coco Island to track the activities of rival navies like the Indian navy.

China has never denied its military cooperation with Myanmar. It has also sought to dampen views that there is a Chinese military base and intelligence-gathering station in Myanmar directed at India. Professor Burton Levin, the American ambassador in Myanmar from 1987 to 1990, believes that such views are not backed by evidence, categorically stating,

I do not agree with the idea that China is trying to build an intelligence station or military base in the Bay of Bengal. The truth proves that these parlanes are not right. I do not think the Myanmar people would allow China to do so. In my opinion, the Burmese have a strong sense of people-hood. They are always suspicious of and disgusted with China and its people.<sup>59</sup>

## **(b) Rationale of the Chinese Model**

**(i) Other political forces are incapable of governing Myanmar in the foreseeable future.** The Myanmar army and its supporters, the opposition NLD, and the ethnic armed minority groups have been the three main political forces in Myanmar since 1988. The Myanmar army has absolute dominance. The NLD

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<sup>58</sup> On 26 June 2007, Eric John (deputy assistant secretary of state for East Asian and Pacific affairs) and Brigadier General Kyaw Hsan (minister of information) and Nyan Win (minister of foreign affairs) held a meeting in Beijing. The meeting involved a free exchange of ideas but failed to yield any result.

<sup>59</sup> “Yuanzhu mudi hezai, miandian weihe ruci Yanzhong yilai zhongguo” (What Is the Purpose of Aid, Why Burma is Heavily Dependent on China) at <[http://www.9999cn.com/articles/years/20040722\\_24375\\_34.html](http://www.9999cn.com/articles/years/20040722_24375_34.html)> [June 2009].

does not have the ability to replace the army nor does it have administrative experience. The armed ethnic minority groups are unable to administer the whole country and it is also undesirable for them to do so. Robert Taylor, a renowned expert on Myanmar, reportedly said that “the central position that the military occupies in Myanmar politics and society cannot be ignored no matter what people’s subjective ideas are. No party or government can keep its authority successfully without the cooperation of the army”.<sup>60</sup>

Robert Taylor reiterated on another occasion that “even if the military gave the key of the prime minister’s office to Aung San Suu Kyi, she would give it back less than a month because she is incapable of administering the country”.<sup>61</sup> In fact, the NLD is aware of current political realities. Since 2000, it has never asked the military to surrender power unconditionally to the NLD which won the elections in 1990. China believes that the leading role the military plays in Myanmar politics cannot be easily replaced by any other political forces. At present, only the military can maintain the country’s integrity and unity.

**(ii) Democracy and human rights situation would worsen if the Myanmar military government was forced out of office.** If the military government was toppled, Myanmar would split as there is no political force capable of replacing the military’s role. Most countries, including ASEAN, China, and India are unwilling to see such an outcome. The former secretary-general of ASEAN Ong Keng Yong reportedly said that the “Myanmar situation cannot be in serious confrontation; otherwise Southeast Asia will be in turbulence”. He further highlighted that there were ten big minorities and more than 100 dialects in Myanmar, and if Myanmar were to break up, it may become “another Yugoslavia with an outcome many times worse”.<sup>62</sup>

**(iii) Pace of Myanmar’s democratisation determined by its own situation.** The pace of Myanmar’s democratisation will be decided by many factors including its level of economic development, changes to its social structure and the acceptance of democratic norms and principles by its people. A democratic government will not emerge overnight through sanctions. China’s ties and aid

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<sup>60</sup> He Shengda, “Myanmar’s Political and Economic Status Quo and Its Trends”, *Asia-Pacific Data*, 37 (1994): p. 4.

<sup>61</sup> Interview with Robert Taylor in Ruili (on border), 16 November 2008.

<sup>62</sup> “Dongmeng mishuzhang tan miandian wenti, jinggao xifang guojia shenshen chuli” (ASEAN Secretary-General Talks about Myanmar Issue, Warns Western Countries to be Prudent), *Guangdong News (Nanfangwang)*, 15 June 2003 at <[http://www.southcn.com/news/INTERNATIONAL/gjkd/2003\\_06150569.htm](http://www.southcn.com/news/INTERNATIONAL/gjkd/2003_06150569.htm)> [June 2009].

to Myanmar is not the main factors hindering democratisation in the country. According to Wang Jianwei (professor at the University of Wisconsin and former senior fellow at the Atlantic Council of the United States), “human rights and democratisation in Myanmar are decided mainly by inner conditions. China’s aid just plays an auxiliary role and it is not the main reason why Myanmar does not carry out democratisation”.<sup>63</sup>

**(iv) China’s national perspective differs from that of Europe and the US.** The US and Europe have called on the military government to step down or surrender power without considering whether the opposition NLD or other political forces can replace it to administer the country effectively. Nor have they considered how stability can be maintained once political transformation is set in motion. From China’s perspective, this is not a responsible approach. Myanmar is adjacent to China. Hence, Myanmar’s stability and development is of crucial importance to China. China does not want to see Myanmar becoming a failed state.

## Conclusion

By highlighting the complexities of the China-Myanmar bilateral relationship, this article has sought to debunk the view that China can readily influence developments in Myanmar. Different players are involved at the central, provincial, and other levels in setting and influencing China’s policies towards Myanmar. At times, the interests of the local governments do not coincide with those of the national governments of the two countries. A discussion of the contents of China’s policies towards Myanmar shows the multi-faceted and multi-level relationship ranging from politics, socioeconomic, military, and security cooperation to religion and disaster relief. Most significantly, the examination of the challenges of China’s policies towards Myanmar show that issues such as illegal immigrants, drug trafficking, gambling, transnational crimes, smuggling, resource over-exploitation and environmental destruction, and political distrust affect relations. These are issues less obvious to the outside world. Given these challenges, Myanmar’s strong national pride and China’s historical relationship with the BCP, it is even more important for China to respect and be seen to respect Myanmar’s independence and sovereignty. In this sense, China’s model of active engagement is borne out of existing realities on the ground and offers the best way forward, at least from China’s perspective, to influence developments in Myanmar.

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<sup>63</sup> Wang Jianwei was interviewed by VOA on 11 June 2005 at <<http://www.voanews.com/chinese/archive/2005-06/w2005-06-11-voa23.cfm?moddate=2005-06-11>> [June 2009].

# China's "Look South": Sino-Myanmar Transport Corridor

*Fan Hongwei*<sup>1</sup>

Myanmar lies where South, Southeast, and East Asia meet. The country's importance in world affairs has long been derived from its critical geostrategic position. Only after the Second World War did China realise that Burma occupied a geostrategic position of some importance when it became China's "Gateway" or "Back Door".<sup>2</sup> Since then, the "Burma Road" has become a concrete and the most well-known example of Myanmar's geostrategic importance for China.

When the map of traffic construction in southwest (particularly Yunnan province) China is spread out today, Beijing's fan-shaped "Look South" strategy with Yunnan as the pivot is clear at a glance. The strategy is extending southward, and the traffic between China and Southeast Asia has never been so closely interconnected with each other.

Yunnan shares 4,060 km of land borders with Laos, Myanmar, and Vietnam. There are eleven first-category ports, nine second-category ports, and over ninety passages to the outside world in the Yunnan province. For China, the province is the most convenient location connecting the Indian Ocean with the Pacific Ocean, thus bridging three markets of China, Southeast Asia, and South Asia.

The Yunnan side planned the initiative of "Yunnan International Passage" in 1992. However, it did not have the occasion to undertake the blueprint until the "Western Development" strategy was started in 1999. In order to mitigate the gap of economic disparities between east and west China, and redress the long-standing domestic imbalance of regional development, a drive was launched by Beijing in 1999 to promote social and economic progress in the central and western parts of the country by injecting financial aid and offering favourable policies. In the plan of "Western Development", transport is prioritised in its national economic development.

Under the circumstance, Yunnan soon formulated the basic programme, general objective, and main task of "Western Development" in the province,

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<sup>1</sup> Fan Hongwei, Associate Professor in the Center for Southeast Asian Studies, Xiamen University, China.

<sup>2</sup> See, for example, H. I. Deigan, "Burma-Gateway to China," *Smithsonian Institution War Background Studies* No. 17, 1943; "World Battlefronts: Back Door to China," *Time*, December 21, 1942.

and formally established the aim of constructing it as an international passage connecting China to Southeast Asia and South Asia at the 9th Plenary Session of the 6th Yunnan Provincial Committee of the CCP in December 1999.

The Yunnan government articulated, “the construction of international passage is Yunnan’s inevitable choice of exerting its location advantage and expanding opening-up. To make full use of Yunnan’s beneficial factors of linking China with Southeast Asia and South Asia by land, water, and air.” “By all means, seize the opportunity of ‘Western Development’, construct highway and rail as the keystone and skeleton of Yunnan traffic net, air and water carriage as the accessorial, which link neighbouring countries and domestic provinces, and form a shortcut and convenient transport net connecting with sea via Guizhou, Guangxi eastwards, with middle-west area via Sichuan northwards, with peripheral Vietnam, Laos, Thailand and Myanmar southwards.”<sup>3</sup>

As a result, China has made efforts to undertake and push the Sino-Myanmar transport corridor since the advent of the 21st century. The project is driven by China’s geo-economic and geo-strategic interests, and is also one of Beijing’s steps to implement the “Two-Ocean” strategy which will affect the geopolitics in South Asia and Southeast Asia. The corridor has had an important impact on the current and future Sino-Myanmar relations, which is like an adhesive to draw closer bilateral geopolitical and economic bond.

## China-Myanmar Roads

The strategy of the “Yunnan International Passage” consists of three dimensions: transportation construction of Yunnan-foreign countries, Yunnan-other domestic provinces, and Yunnan province itself.<sup>4</sup> On infrastructural level in the case of roads, Yunnan lays out the framework of the “International Passage”, and plans to build “three vertical lines”, “three horizontal lines”, and “nine passages”.

“Three vertical lines”: (1) Yibin-Zhaotong-Kunming-Hekou (1,016 km); (2) Dukou-Yongren-Wuding-Kunming-Mohan (958 km); (3) Yanjing-Deqin-Zhongdian-Dali-Lincang-Daluo (1,397 km).<sup>5</sup>

<sup>3</sup> Li Jiating, Yunnan governor, “Zai Xibu Kaifa Zhong Gouzhu Tese Jingji Tixi” [Constructing Distinct Economic System during Western Development], in *Jinjun Xibu: Gaoceng Lingdao Tan Xibu Kaifa* [Go West: Chinese Summit’s Viewpoints on Western Development], Beijing: Central Compilation Press, 2001, p. 134.

<sup>4</sup> Niu Shaoyao, “Yunnan: Jianshe Guoji Datongdao” [Yunnan: Constructing International Passage], *Renmin Ribao* [People’s Daily], August 28, 2000.

<sup>5</sup> Hekou, Mohan, and Daluo are China-Vietnam, China-Laos, and China-Myanmar border cities, respectively.



"Three horizontal lines": (1) Pan Zhihua-Huaping-Lijiang-Jianchuan-Lanping-Liuku (642 km); (2) Guizhou-Sheng Jingguan-Qujing-Kunming-Dali-Baoshan-Ruili (965 km); (3) Guangxi-Funing-Kaiyuan-Jianshui-Yuanjiang-Puer-Jinggu-Lincang-Qing Shuihe (1,493 km).

"Nine passages": Five passages connecting Yunnan to other provinces, namely, (1) "Kunming-Nanning-Beihai (553 km in Yunnan); (2) Kunming-Guiyang (204 km in Yunnan); (3) Kunming-Shuifu-Chengdu (250 km in Yunnan); (4) Kunming-Pan Zhihua-Chengdu (250 km in Yunnan); (5) Kunming-Dali-Zhongdian-Tibet (950 km in Yunnan). Four passages connecting Yunnan to Southeast Asian countries: (1) Kunming-Mohan-Laos-Bangkok; (2) Kunming-Ruili-Yangon; (3) Kunming-Hekou-Vietnam; (4) Kunming-Tengchong-Myanmar-India.<sup>6</sup>

In light of Yunnan's road layout on "International Passage", there are three road lines reaching the China-Myanmar border in the six lines of "three vertical" and "three horizontal". In "nine passages", there are two passages leading to Myanmar. The roads of Kunming-Ruili-Yangon and Kunming-Tengchong-Myanmar-India are actually the updated editions of Burma Road and Stilwell Road.

In recent years, Beijing and Yunnan have built and upgraded some roads extending to Myanmar in Yunnan and some leading to Yunnan in Myanmar territory (See Table 1).

**Table 1: The built roads of China-Myanmar Transport Corridor<sup>7</sup>**

Value unit: RMB billion

Road Name	Road Class	Length	Investment	Building Time
Kunming-An Ning	Highway	22.3748 km	2.81	2004–2007
An Ning-Chu xiong	Highway	129.93 km	4.9	2002–2005
Chuxiong-Dali	Highway	179.279 km	5.2921991	1995–1999
Dali-Baoshan	Highway	165.84 km	7.04	1998–2002
Baoshan-Longling	Highway	76 km	5.544	2004–2008

<sup>6</sup> Chen Ping, "Yunnan Sheng 'Sanzong', 'Sanheng', 'Jiuda Tongdao' Gaodengji Gongluwang Gaikuang" [Survey on "three vertical lines", "three horizontal lines" and "nine passages" [Highway Net in Yunnan], January 29, 2008, <<http://yunnan.mofcom.gov.cn/aarticle/sjdxiansw/200801/20080105359455.html>>, accessed on April 6, 2008.

<sup>7</sup> SOURCE: Department of Communications of Yunnan Province; *China Communications News*; *China Railway Construction News*; The Economic and Commercial Section of the Consulate General of PRC in Mandalay; Yunnan Highway Development and Investment Co., Ltd.

Longling-Ruili <sup>8</sup>	Highway & Class II	157.712 km	10.941	2009–2012
Baoshan-Tengchong	Highway	153.94 km	4.607	2007–2010
Tengchong-Myitkyina	Class II	176 km	12.3	2004–2007
Jinghong-Damenglong	Class II	60 km	0.445	2004–2008
Zhangfeng-Bhamo	Class IV	79 km	0.028	2004–2007
Yingjiang-Nabang	Class II & Class IV	92 km	0.23	2003–2005
Tengchong-Banwa	Class II	71.8 km	0.46	2003–2006

According to the “Layout of Yunnan Road Net (2005–2020)”, Yunnan plans to construct main highway passages leading to Vietnam, Laos, Myanmar, and Thailand by 2010. Its trunk highway net will link up all twenty ports in Yunnan. Eighteen passages will reach Myanmar (thirteen), Vietnam (four), and Laos (one).<sup>9</sup> Table 1 shows that 95 per cent of Kunming-Ruili highway—via An Ning, Chuxiong, Dali, Baoshan, and Longling—has been open to traffic, and the remaining sector, Longling-Ruili highway, is also under construction. Regarding the passage to South Asia via Myanmar, the Baoshan-Tengchong highway and the Tengchong-Myitkyina road Class II were built and upgraded in 2007.

Besides the trunk highway stretching to Myanmar, China has built and upgraded many roads to Sino-Myanmar border ports, such as Jinghong-Da Menglong, Zhangfeng-Bhamo, Tengchong-Banwa, and Yingjing-Banwa, especially since 2005, when Yunnan began to implement the project of “Prosper the Borders to Enrich Local People” (PBELP).

In response to the “Western Development” strategy, State Ethnic Affairs Commission (SEAC), China initialised the PBELP project in 135 border cities and counties in 2000, whose aim is to lift the economic development levels of China’s border area within ten years by increasing infrastructure investment and promoting a group of profitable programmes.

<sup>8</sup> Longling-Ruili highway includes 154.6km highway and 3.112 km class II road, and links up Ruili-Bhamo road; Baoshan-Tengchong highway needs building 63.94 km length and use available 90 km Baoshan-Longling highway, connecting to Tengchong-Myitkyina road; the terminals of Jinghong-Damenglong and Tengchong-Banwa are China-Myanmar border demarcation stone No. 240 and No. 4, respectively.

<sup>9</sup> Department of Communications of Yunnan Province, “Yunnan Sheng Gongluwang Guihua (2005–2020)” [Layout of Yunnan Road Net (2005–2020)], <[http://xxgk.yn.gov.cn/bgt\\_Model1/newsview.aspx?id=236838](http://xxgk.yn.gov.cn/bgt_Model1/newsview.aspx?id=236838)>, accessed on May 8, 2008.

Yunnan pooled RMB4.8 billion to carry out the PBELP project in its eight prefectures and cities, and twenty-five border counties from 2005 to 2007, which completed the connection of trunk highway in border areas and surface hardening of roads leading to township in the province.<sup>10</sup> The Eleventh Five-Year Plan for "Prosper the Borders to Enrich Local People" endorsed by the State Council on June 9, 2007, sets the first aim of improving backward situations in communications, electricity, and irrigation works infrastructure in border areas. One of its main tasks is to reinforce the construction of highway in border region, including trunk highway and road to county and village, ports, sites for barter trade, tourist sites, and defence highway suited for both military and civilian services through joint efforts.<sup>11</sup>

In May, 2008, three new projects of PBELP in Yunnan begun to be carried out. The key task of the new project is, in combination with the construction of defence highway and the "Yunnan International Passage", to expedite the construction of highway net, upgrade the road and strive for the completion of a 750-km trunk highway and 2,100-km county road in border region, gradually solve the transport bottleneck hampering the frontier development. In response, Yunnan has pooled RMB10.71847 billion for the new project.<sup>12</sup>

Currently, although Beijing has not upgraded "Yunnan International Passage" to a state strategic plan level, however, the central government is building Yunnan as a land traffic pivot between eastern provinces and Southeast Asia, in terms of the "National Highway Network Planning" approved in 2004. China is investing heavily in building highway net connecting Yunnan with the east coast developed regions and provinces in order to improve insufficient road infrastructure impeding economic intercourse between them.

The planning includes seven routes starting from Beijing, nine South-North longitudinal routes, and eighteen East-West latitudinal routes: referred to as the "7918 Network", with a total length of about 85,000 km. In accordance with the plan, China is building a highway from Hangzhou to the China-Myanmar border city Ruili (Coding G56), which is 3,405 km long via Zhejiang, Anhui, Jiangxi, Hubei, Hunan, Guizhou, and Yunnan. Moreover, the programme, noticeably,

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<sup>10</sup> General Office of the People's Government of Yunnan Province, "2007 Nian Quansheng 20 Xiang Zhongdian Gongzuo Wancheng Qingkuang" [The Completion condition of 20 Key Projects in Yunnan], <[http://xxgk.yn.gov.cn/bgt\\_Model1/newsview.aspx?id=236889](http://xxgk.yn.gov.cn/bgt_Model1/newsview.aspx?id=236889)>, accessed on September 10, 2008.

<sup>11</sup> State Ethnic Affairs Commission of China, "Xingbian Fumin Xiongdong 'Shiyiwu' Guihua" [The Eleventh Five-Year Plan for 'Prosper the Borders to Enrich Local People'], June 15, 2007, <<http://www.seac.gov.cn/gjmw/zt/2007-06-15/1181878972642969.htm>>, accessed on May 23, 2008.

<sup>12</sup> "Yunnan Sheng Xin Sannian 'Xingbian Fumin Gongcheng' Xiongdong Jihua" [New Three-Year Plan for 'Prosper the Borders to Enrich Local People' in Yunnan], *Yunnan Zhengbao* [Yunnan Political Affairs], 11 (2008), p. 23.

shows that the five highways from developed cities to Kunming which are being build are named as Shanghai-Kunming (G60, 2,370 km), Shantou-Kunming (G78, 1,710 km), Guangzhou-Kunming (G80, 1,610 km), Beijing-Kunming (G5, 2,865 km), and Chongqing-Kunming (G85, 838 km).

## **China-Myanmar Railway**

In December, 1995, Prime Minister Mahathir Mohamad of Malaysia initiated the Trans-Asia Railway, thus building the Kunming-Singapore Rail Link. The initiative was unanimously endorsed by ASEAN countries and China.

In response to ASEAN's initiative on Trans-Asia Railway, China formulated three route options: (1) East Route, Singapore-Kuala Lumpur-Bangkok-Phnom Penh-Ho Chi Minh-Hanoi-Kunming; (2) West Route, Singapore-Kuala Lumpur-Bangkok-Yangon-Lashio-Ruili-Dali-Kunming; (3) Middle Route, Singapore-Kuala Lumpur-Bangkok-Vientiane-Shangyong-Xiangyun (or Yuxi)-Kunming.

At the present time, the three routes in Chinese territory have been listed into the "National Middle/Long Term Transport Plans of China" issued in 2004.

The West Route is 2,600 km long and needs the construction of 840 km of new railways, of which China-Myanmar railway is one section. In China's section, Kunming-Ruili railway is 690 km long. In 1998, the railway between Kunming and Dali via Guangtong was completed and put into service. Therefore, it requires the construction of the railway of Dali-Ruili. Besides this, in order to link China and Myanmar railway net (132 km), a new railway from Ruili to Lashio needs to be build. Now, China is making an effort to realise the railway link between Kunming and Yangon.

In light of the "Middle/Long Term Transport Plan", China plans to build the section of Kunming-Jinghong-Mohan in the Sino-Laos passage, the section of Dali-Ruili in the Sino-Myanmar passage, and upgrade the section of Kunming-Hekou in the Sino-Vietnam passage. In addition, "The Eleventh Five-year Plan of China's Railway" framed by China's Ministry of Railway states that it will build Dali-Ruili railway and rebuild double tracks railway of Kunming-Guangtong section in the Kunming-Dali before 2010. In 2007, the 350 km-long Dali-Ruili railway project was started with an estimated total investment of RMB14.7 billion, which was put on the list of "Ten Major Projects of Western Development" in that year.

In addition, China-Myanmar railway will become one part of "The Third Asia Europe Continental Bridge" conceived by China, connecting the west coast of the Pacific Ocean with China's east coast via Yunnan. It starts at seaports in Guangdong province, via Kunming, Myanmar, Bangladesh, India, Pakistan, Iran, and Turkey, enters into Europe, and reaches Rotterdam in the Netherlands. China expects to link the Asian south to its southeast by means of west route of The

Trans-Asia Railway and construct the "Continental Bridge" which will become another safe and convenient land international thoroughfare of China.

### **China-Myanmar River Navigation Route**

While China is constructing the roads-and-railways transportation-net linking itself to Southeast Asian countries, Yunnan also developed a water transport plan of constructing "Two Waterways Reaching other Provinces", which are the Jinsha River and the You River leading to the Yangtze River Delta and the Pearl River Delta, and "Three Waterways Reaching Foreign Countries", which are the Lancang-Mekong River, the China-Myanmar land and water course, and the China-Vietnam Hong River.

The Lancang-Mekong River, 4,880 km long, runs through China, Laos, Myanmar, Thailand, Cambodia, and Vietnam. On January 7, 1997, China and Myanmar signed the "Agreement on Passenger and Cargo Shipment on the Lancang-Mekong River" where it was decided that China will open the ports of Jinghong, Simao, Menghan, and Guanlei, while Myanmar will open the Wan Seng Port and Wan Pong Port. On April 20, 2000, China, Laos, Myanmar, and Thailand signed the "Agreement on Commercial Navigation on the Lancang-Mekong River". The official inauguration of the commercial navigation among the four countries followed on June 26, 2001.

At the end of 2006, China started oil shipping via the Mekong River. Two ships each carrying 150 tonnes of refined oil arrived at Guanlei Port of Yunnan province from Thailand via the Mekong River, marking the trial launch of China's oil shipping programme with its Southeast Asian partners. The waterway will serve as an alternative to the Straits of Malacca as a route for oil shipping and supply to Yunnan and Southwest China.

In order to improve the commercial navigability of the water course, China has initiated a programme of dredging and removal of rapids, reefs, and shoals in the Lower Mekong River. China provided a sum of RMB42 million for upgrading 331-km Mekong River course shared by Laos and Myanmar in 2000.

The China-Myanmar land-water passage's full name is "China Kunming-Myanmar Yangon Irrawaddy River Portage Passage", which is an integrative land and water carriage system including the land transport from Kunming to Bhamo via Baoshan and Ruili, the water course from Bhamo Port to Yangon as well as other ports, portage transfers, and sea ports.

When He Zhiqiang, the governor of Yunnan Province, visited Myanmar in 1989, Myanmar's Premier Saw Maung put forward that both sides make joint use of Irrawaddy River navigation. After this, China and Myanmar held a series of talks and explored the pre-feasibility studies on the proposal. In January, 1997, the minister of the Communications Ministry of China discussed the project with

his Myanmar counterpart and both affirmed its significance. In October, Vice-Premier Wu Bangguo visited Myanmar and both sides agreed on cooperating on the construction of China-Myanmar land and water transport passage. In 1998, China's State Council officially replied on the project to Yunnan government and agreed that Yunnan could start making preparations for it.

The construction of the Ruili-Bhamo Road and Bhamo Port with estimated investment of RMB0.37 billion and RMB0.16 billion, are at the core of Sino-Myanmar land and water passage. Both countries originally agreed on "joint construction and operation, joint share venture and profit." Nevertheless, Yangon later claimed that China would build the passage only in the form of "Build-Operate-Transfer" (BOT) in a thirty-year operating period. China still agreed to Yangon's claim of BOT.

Thus, the two countries subsequently finished the survey and design of Leiyun (in Ruili)-Bhamo Class III road, reconnaissance, and choosing site of Bhamo Port, and trial cargo navigation from Bhamo to Yangon. In addition, the combined transport agreement framed by both experts was approved by the two countries' governments in principle. China wanted to develop transit and bilateral transport in between, but Myanmar only permitted transit transport in its territory; therefore, the plan of signing the agreement was not achieved in 1999.

The Myanmar side agreed that China could use the Irrawaddy River as its outlet to the Indian Ocean when China's President Jiang Zemin visited Myanmar in 2001. In the meantime, the Burmese generals, however, attached three harsh terms so that the blueprint went on being on the shelf again. Until now, Naypyitaw has still not given green light to the project. Obviously, Myanmar was very clear that the project will enable China to have access to the Indian Ocean, and this will change the geopolitical structure in Asia-Pacific region. It had to consider its peripheral counties' and other stakeholders' postures, notably India and the ASEAN countries. Myanmar continues to take the wait-and-see attitude to make risk-reward calculations.

Myanmar's reiteration and hesitation on the project has not retarded China's effort for it. Zhangfeng is the nearest China's port to Bhamo. Because of the limited transport capacity of Zhangfeng-Bhamo Road, the Longchuan government provided a sum of RMB28 million to upgrade the road between Longchuan and Bhamo. The project was completed in 2006, and transferred to Myanmar. Now China is still responsible for the maintenance of the road.<sup>13</sup> The 224-km Myitkyina-Kanpikete-Teng Chong cross-border road begun to be built

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<sup>13</sup> Fan Lichuan & Li Qichang, "Hengguan Dianmian Shuilu Lianyun Zhangba Gonglu Gaijian Gongcheng Qidong" [The Upgrade of Zhangfeng-Bhamo Road Starting], *Yunnan Ribao* [Yunnan Daily], December 6, 2004.

with the prior section lying on the Myanmar side in 2004. With the assistance of Chinese engineers, the 96-km Myitkyina-Kanpikete section on the Myanmar side has been completed and opened in April 2007.

## The Implication of Sino-Myanmar Transport Corridor

At least, the implications of the Sino-Myanmar transport corridor can be understood from the followed dimensions: history, regional cooperation, China's overall strategy, and Yunnan's perspective.

History is a factor conditioning China's perception of the China-Myanmar transport corridor as well as Myanmar strategic significance, as it has a bearing on Beijing's strategic thinking and its policies towards its southern neighbour.

Historical evidence has shown that China's current vision of opening a route through Myanmar is nothing new. Historically, the famous South-West Silk Road linked up China with Southeast Asia and South Asia via Yunnan. At the end of the 19th century, British colonists attempted to build a Yunnan-Burma railway but it failed because of Yunnan esquires' objection. In 1906, "Yunnan Sichuan Railway Company" was founded, which raised funds and surveyed the route for a Yunnan-Burma railway, but the project had not started working until the end of the Qing Dynasty. After the Kuomintang seized power in China, "National Father" Sun Yat-Sen claimed to construct a railway connecting Guangzhou with Burma's railway net via Yunnan in his work "Programme of National Reconstruction for China". However, the scheme was not put into effect in the end. Beijing suggested that the two countries negotiate China-Burma through transport in 1955.<sup>14</sup>

After the China-Japan war broke out in World War II, all of China's sea ports were occupied by Japanese troops. China built the Burma Road in 1938 in order to gain international aid. Because the Burma Road's transport capacity was limited, China, UK and US signed an agreement of building China-Burma railway, where US provided the loan for the project, and China and UK cooperated to build it. At the end of 1938, the railway began to be constructed by 300,000 Yunnan labourers. When Japan overran Burma and the west of Yunnan in 1942, China had to destroy the completed section of the railway lest Japanese troops would capitalise on it.

Former vice-minister of Chinese Communications, Pan Qi, proposed in 1985 that "the opening of the southwest can run parallel to that of the east, and

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<sup>14</sup> "Woxiang Mianfang Jianyi Tanpan Zhongmian Gonglu Lianyun Wenti" [China Suggested that Both Negotiate China-Burma Through Traffic], *Zhonghua Renmin Gongheguo Waijiaobu Dang An* [Archive of Ministry of Foreign Affairs of People's Republic of China], No. 105-00177-01(1).

can be carried out at the same time.” Two channels from the southwest to the outside world were available: one to the east China coast along the Yangtze and Xijiang rivers; the other to the south via Burma. “Several possible passages from Yunnan to the outside world. From Tengchong, one highway leads westward to Myitkyina, in Burma, where a railroad is available to transfer cargo to the sea. A second highway leads south to Lashio, another major Burmese railhead. And, between those two, a third road leads Bhamo, on the Irrawaddy River. None of these roads is over 300 kilometers long.”<sup>15</sup>

In the late 1980s and early 1990s, Yunnan side proposed to rebuild the China-Burma rail, but the proposal was not accepted by Beijing. Regardless of what the Yunnan-Burma ancient Tea Caravan Trail, the Burma Road, the Stilwell Road, or the China-Burma rail was, it showed the same economic, strategic, and military significance of the China-Burma transport route in different eras. Since the end of the 19th century and the beginning of 20th century, the Chinese made many efforts to build the Sino-Burma railway but they failed finally because of China’s frail power and turbulent political situation. Now, with the advent of rapid globalisation, China’s rise and the launch of “Western Development”, Yunnan has blown the clarion of constructing the China-Burma road and rail again, and wishes to realise its old dream.

On the regional cooperation’s part, the Sino-Myanmar transport corridor is for Beijing, both an important measure of maintaining its influence and leading role in the arrangement of regional and sub-regional cooperation, and a result of its cooperation with Southeast Asia and South Asia countries.

At present, Southeast Asia, particularly the Indochina Peninsular, is one of the most energetic regions of regional and sub-regional cooperation in Asia, where all kinds of regional cooperation mechanisms and platforms are overlapping. Myanmar is a juncture in the multi-net. With regionalism rising in East Asia, China is being confronted with the challenge of how to maximise its interest in regional cooperation.

In Southeast Asia and South Asia, both China and Myanmar have joined in the China-ASEAN Free Trade Area, the Greater Mekong Subregion Cooperation (GMS), and the Bangladesh-China-India-Myanmar regional cooperation (BCIM).

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<sup>15</sup> Pan Qi, “Opening the Southwest: An Expert Opinion”, *Beijing Review*, 28:35 (September 2, 1985), p. 23. Western scholars often cite this article to illustrate Chinese vision of seeking an outlet via Burma is an old dream, such as: Bertil Lintner, “Friends of Necessity”, *Far Eastern Economic Review*, 164:51 (December 27, 2001–January 3, 2002), p. 24.; J. Mohan Malik, “Sino-Indian Rivalry in Myanmar: Implications for Regional Security”, *Contemporary Southeast Asia*, 16:2 (September 1994), p. 141; J. Mohan Malik, “Myanmar’s Role in Regional Security: Pawn or Pivot?”, *Contemporary Southeast Asia*, 19:1 (June 1997), p. 57. Actually, China’s scheme was conceived at least in the beginning of 20th century.



In addition, Myanmar is also a member of BIMST-EC and Mekong-Ganga Cooperation. In these regional and sub-regional platforms, bilateral, and multilateral cooperations on transportation are high priorities.

The China-Myanmar railway is the west route of the Trans-Asia Railway, which is an important project cooperatively built by China and ASEAN. In December 2002 and September 2003, China and Myanmar acceded to the "GMS Agreement for Facilitation of Cross-Border Transport of People and Goods". The road between Kunming and Lashio via Ruili will be an applicable border channel and route for GMS facilitation transport in terms of the agreement.

In 1998, the 8th GMS Ministers' Meeting advanced to build economic corridor, combine construction of transport corridor with economic development, and provide facilitation for GMS members' cooperation and traffic. The GMS economic corridor consists of North-South Economic Corridor (covering the Kunming-Bangkok, Kunming-Hanoi, and Nanning-Hanoi three economic zones), East-West Economic Corridor (covering from Mawlamyine to Thailand and middle Vietnam), and South Economic Corridor (covering the area from Bangkok to Phnom Penh and the south of Vietnam). In accordance with the general layout of the GMS transport net, the economic corridor will develop in three stages: transport construction, logistics construction, and economic corridor construction.

China and ASEAN leaders signed "Joint Declaration of the Heads of State/Government of The People's Republic of China and The Member States of ASEAN on Strategic Partnership for Peace and Prosperity" at the 7th ASEAN-China Summit on October 8, 2003 in Bali, Indonesia. Pursuant to the Joint Declaration, a "Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity" was formulated to serve as the "master plan" to deepen and broaden ASEAN-China relations and cooperation in a comprehensive and mutually beneficial manner for five years (2005–2010). In the light of the Plan of Action, ASEAN and China pursues the following joint actions and measures in the Mekong River Basin Development Cooperation:

develop the Singapore-Kunming Rail Link; build railways and roads from Kunming to Yangon and Myitkyina; carry out possibility study of building railway links from China to Laos and Myanmar; consider the further expansion of the Environmental Impact; assessment of the navigation channel improvement project on the upper Mekong River, and share information with the lower Basin countries; Consider the possibility to open more aviation routes in the sub-region at an appropriate time.<sup>16</sup>

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<sup>16</sup> Ministry of Foreign Affairs of PRC, "Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity", December 21, 2004, <<http://www.fmprc.gov.cn/eng/wjbj/zjzj/yzs/dqzzywt/t175815.htm>>, accessed on March 8, 2008.

Cambodia, China, Laos, Myanmar, Thailand, and Vietnam signed the “Memorandum of Understanding toward the Sustainable and Balanced Development of the GMS North-South Economic Corridor and Enhanced Organizational Effectiveness for Developing Economic Corridors” on March 31, 2008. It stated that

the economic North-South Economic Corridor consists of three major routes linking economic and population centres in the northern and central parts of the GMS, namely: (I) the Kunming-Chinag Rai-Bangkok via Lao PDR and Myanmar route, including both land transport and waterway; (II) the Kunming-Hanoi-Haiphong route; and (III) the Nanning-Hanoi route.<sup>17</sup>

Under China’s overall strategy, Sino-Myanmar transport corridor is the base of “Two-Ocean” strategy and a step of “Western Development” strategy.

In the Asia-Pacific area, China’s interests are focused on its economic and security dimensions which are reflected by its peripheral diplomatic principles—“good neighbour, good partner and good friend”. China’s good neighbourhood policy is characterised by mutual security, mutual cooperation, and mutual development.

China shares land borders with fourteen countries, whose border regions can be characterised by impoverished ethnic minority-inhabited areas. Such a condition is adverse to the political stability of frontier, defence, and the eradication of ethnic separatism. Therefore, Beijing launched the initiative of PBELP. The project is a reflection of China’s strategic and security consideration in its periphery.

The problems in the border regions which Beijing needs to address itself are very prominent and serious in Yunnan. There are twenty-five border countries in Yunnan, which include twenty-two ethnic autonomous counties, and seventeen key poverty-alleviation counties. In addition, sixteen trans-border ethnic groups live in the frontier regions of Yunnan. It is learned that one hundred thousand border crossers in Yunnan have migrated to neighbouring countries such as Myanmar, Thailand, Laos, and Vietnam in recent years thanks to poverty and comparative economic attraction abroad. “Some of them become the object whom ethnic separatist enlists, and have joined their armed forces in Yunnan frontier.”<sup>18</sup>

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<sup>17</sup> “Memorandum of Understanding Toward the Sustainable and Balanced Development of the GMS North-South Economic Corridor and Enhanced Organizational Effectiveness for Developing Economic Corridors”, <<http://www.adb.org/Documents/Events/2008/3rd-GMS-Summit/NSEC&Economic-Corridor.pdf>>, accessed on October 10, 2008.

<sup>18</sup> Chen Yanhui, “Mohu De Bianjie: Yunnan Shiwan Bianmin Yiju Haiwai” [Blurred boundaries: Yunnan One Hundred Thousand Border Crossers Migrate Abroad], *Fenghuang Zhoukan* [*Phoenix Weekly*], 19(2007).

In the matter of mutual security between China and Myanmar, China's interest in Myanmar, first of all, lies in ensuring 2,186 km-long boundary's and frontier's security. In this regard, China needs to solve the difficult problems of border control, trans-border ethnic issues, AIDS control, and drug smuggling. The Colour Revolution in Central Asia since the advent of the 21st century, the turbulence in Myanmar, and Washington's attitude to Naypyitaw are also making Beijing keep a close watch on the Myanmar situation. Consequently, China necessarily keeps enough influence and control ability on Sino-Myanmar frontiers to enable it to solve the abovementioned threats if they affect its national security. Now, Beijing's intentions and efforts on China-Myanmar border safety and the maintenance of influence over Myanmar are being materialised through the construction of the roads and railways reaching Sino-Myanmar ports and boundaries.

In addition, the China-Myanmar transport corridor is responsible for carrying out the "Two-Ocean" strategy. When Japan occupied China's east seaports and cut off the Pacific water course in 1940s, the Burma Road played an important role in defending China's national security. The experience has been strongly impressed on Chinese memory until now. Currently—attributing to weak Chinese navy forces—the Malacca Dilemma, the South China Sea dispute, the Taiwan issue, and other threats to the Pacific Ocean course further increases Beijing's anxiety on the result of complete reliance on the Pacific Ocean course, and attention to Myanmar's role as a strategic passage. Therefore, China constructed a new strategic thoroughfare ensuring national security through the China-Myanmar transport corridor access to the Indian Ocean in order to reduce the reliance on the Pacific Ocean course and the Malacca Straits. To expand China's influence in Southeast Asia and South Asia and to counterbalance India's presence in the two regions are also the aims of the transport corridor.

As for mutual cooperation and mutual development, the China-Myanmar transport corridor is the extension of the "West Development" strategy. For a long time, transport infrastructure has been weak and the economy develops slowly in the West China. In the "West Development" strategy, China wants to use Myanmar as a relay station for the export of west China's product and import of resources, a convenient channel for southwest China's opening-up. For Yunnan, Guizhou, Sichuan, and other western provinces in China, the China-Myanmar transport corridor not only facilitates them being nearer to foreign markets than the Pacific Ocean route but can be used as an opportunity to breach their bottleneck of inadequate transport.

With reference to Yunnan local perspective, Yunnan is the direct promoter, and beneficiary of China-Myanmar transport corridor.

Yunnan is a landlocked plateau province in China, and its size of mountainous and semi-mountainous region amounts to 94 per cent. Yunnan's backward transport infrastructure impedes its economic development and opening-up. In this regard, the Yunnan government believes that

because [of] Yunnan's special geographic location, the transport construction in Yunnan is not only important for its economic development but for the construction of China's transport net as well as Asia and world transport net. The construction of 'Yunnan International Passage' will provide it with golden opportunity of opening-up and development, and make it completely get rid of the image of remoteness, closeness and backwardness.<sup>19</sup>

As China's bridgehead facing Southeast Asia, Yunnan has distinct advantage of linking up with the Indian Ocean and the Pacific Ocean, three markets of China, Southeast Asia, and South Asia. For Yunnan, far from China's economic and market centre, the "International Passage" bears an immediate, more practical, and important meaning. Hence, Yunnan is the protagonist and activist of the programme, and actively strives for Beijing's support. In recent years, Yunnan has submitted proposals about the "International Passage" to Beijing several times and expected the project to be incorporated in central government's macro plan so that it gains Beijing's support of funds and policy. For example, a Yunnan delegation proposed that the "International Passage" be included in the list of "National General and Special Transportation Program" at the Fourth Session of the Tenth National People's Congress in 2006, and brought forward "Proposal of Central Government supporting Yunnan to Construct 'International Passage' linking South Asia and Southeast Asia" at the First Session of the Eleventh National Committee of the Chinese People's Political Consultative Conference in March 2008.

Above all, the biggest advantage in the construction of the China-Myanmar transport corridor is that it enables Yunnan to improve its transportation facilities which were still lagging behind.

In the meantime, it attempts to improve its economic and political status in China by means of its role as the channel and pivot to the Indian Ocean. For example, Yunnan wishes that the China-Myanmar rail link becomes

a breakthrough of making use of our province's regional superiority. To construct the passage between Yunnan and Myanmar reaching the Indian Ocean and connecting Asia and Europe with Africa, to establish

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<sup>19</sup> Qin Guangrong, "Qin Guangrong Zonglun Yunnan Guoji Tongdao Jianshe" [Qin's Remarks on the Construction of Yunnan International Passage], July 27, 2006, <<http://www.yn.gov.cn/yunnan.china/72622743014604800/20060727/1088276.html>>, accessed on January 1, 2008.

Yunnan province's new geo-strategic status, namely International Strategic Passage. Yunnan's strategic status will be raised in China's overall political and economic structure.<sup>20</sup>

On the other hand, through the construction of the corridor, Yunnan can complete the linkage of its transport net with Southeast Asia and South Asia, and lay the foundation for its economic development and opening up of its economy. In the economic integration of Yunnan, Southeast Asia, and South Asia, Yunnan wants to adjust and upgrade its economic structure, develop superior resources, and improve the environment, and realise the "Yunnan Domino Effect" of passage.

## Conclusion

It has been China's old dream to link its southwestern provinces to the Indian Ocean via Burma/Myanmar since the beginning of the 20th century. The dream has gone through three distinct eras: late Qing dynasty, the Republic of China era, and the People's Republic of China era. Now, Beijing is fulfilling its dream in the post-Cold War era because of the combination of some favourable objective and subjective conditions.

With the end of the Cold War and rapid economic globalisation, the East Asian market which was partitioned because of serious ideological, political, economic, and military confrontation during the Cold War has further been integrated. With regionalism, regional economic integration and cooperation increasingly progressing in Asia, China's economic needs and development is unprecedentedly linked to overseas markets. The economic cooperation between China and Southeast Asian counties, China-ASEAN FTA, and GMS afford China favourable opportunities to develop its plan. Accordingly, the corridor is a result of a radically changed international and regional environment.

The transport corridor is mainly motivated by China's economic and political-cum-strategic considerations. Since Beijing adopted the open policy in 1978, China has changed from a continental to a maritime power, has shifted from a land-based, inward-looking to a sea-focused, outward-looking country which is increasingly dependent upon external trade through oceanic routes that is driving its thirst for raw materials, and markets for its goods, and investment for its economy.

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<sup>20</sup> Li Ping, Li Yigan, ed., *Fanya Tielu Xinjiapo Zhi Kunming Tongdao Jianshe Yanjiu* [Study on Singapore-Kunming Route of Trans-Asia Railway], (Kunming: Yunnan Minority Press, 2000), p. 22.

Consequently, China seeks an overland route through Myanmar to a port from which it can export goods to mainland Southeast Asia, India, and other developing countries farther afield.<sup>21</sup> The corridor is a manifestation of China's transformation from a continental to a maritime power. The above-noted China's economic intention on the corridor is materialised and pushed by its several critical schemes and decisions.

Beijing has begun to promote border trade since mid-1980s. In early 1990s, China promulgated the strategy of opening its border areas. In this regard, the Council of State approved Wan Ding and Ruili, neighbouring Myanmar, as opened cities, where two border economic cooperation zones were established later. In 1993, De Hong prefecture was opened as a border trade area. Up to now, Yunnan has eleven first-category ports, nine second-category ports, 193 border crossings and sites for barter trade between border residents, of which 90 per cent lead to Myanmar.

At the same time, Myanmar also legitimised border trade and opened the China-Myanmar border trade in 1988. In 1991 and 1992, Yangon opened Muse, Namkham, Kyukok, Ho Pang, Chinshwehaw, Myitkyina, and Bhamo for the two countries' border trade.

Both interactions on border trade have made Myanmar become the largest trade partner of Yunnan since 1995. In China-Myanmar trade, Yunnan's share holds 49.6 per cent, and the border trade average percentage is 75.6 in the Yunnan-Myanmar trade. For landlocked inland Yunnan, its poor transport has directly been hindering the volume of trade between it and Myanmar. Therefore, in the recent twenty years, the Yunnan government has never discontinued the construction or upgrade of roads and ports stretching to the Sino-Myanmar border in China and Myanmar territory.

In response to Beijing's "Western Development", Yunnan launched its "Yunnan International Passage" initiative in 1999, and it undoubtedly greatly promotes the corridor. Of course, China's rapid economic growth makes it possibly to have enough financial power to invest in transport construction over the past twenty years and in future. For example, in terms of the project of PBELP in Yunnan, the central and Yunnan governments have pooled RMB1.90410 billion to upgrade and build highway in Yunnan border regions from 2008 to 2010.

Besides the economic objective, both political and geo-strategic calculations lie behind the Sino-Myanmar transport corridor. The PBELP project is a reflection of China's political consideration on the corridor. According to

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<sup>21</sup> "Myanmar and China: New Horizons", *The Economist*, 326 (January 23 1993), p. 32.

the project, the construction and upgrade of civil road in border areas aims at maintaining stability and increasing power of influence there. Additionally, such an outlet would also reduce transport time for some of China's trade and would avoid the Malacca Straits choke point in the event of a conflict in the South China Sea.

Nowhere is the game of encirclement and counter-encirclement between China and India more evident than in Myanmar. Although Beijing has never admitted its "Two-Ocean" strategy, its efforts in pursuit of an export and import outlet to mainland Southeast Asia, an access to the Indian Ocean via Myanmar, is obvious. It undoubtedly incurs Indian suspicions and worries.

There is the purported Chinese physical presence in Burma—in particular reports of Chinese military bases in Myanmar.<sup>22</sup> The imperatives of China's expanding economy (including its energy needs) have added another dimension to the debate. "Whatever the case, the fact remains that in recent years Myanmar is seen as having moved too close to China for India's or ASEAN's comfort. It does not matter whether China's expansion is dictated by economic or by strategic interests. What matters is that Beijing's Myanmar policy is a manifestation of a Chinese desire to be a major power in both the Pacific and Indian oceans."<sup>23</sup>

The corridor not only more closely integrates the two countries' economies but combines both political and strategic interests. Thus, it contains India's influence in Myanmar, and finally expands its strategic influence into Southeast Asia and the Indian Ocean. In addition, Yangon's isolation gives China a favourable opportunity to push the China-Myanmar transport corridor for the time being. Nevertheless, China's old dream still faces challenges and difficulties. In the long run, the achievement of the two countries' final transport link, and the emergence of Myanmar's traffic pivot, will depend on these factors: further trust between China and Myanmar; Myanmar's economic development and prosperity which demands and pushes massive traffic infrastructure; the stability and democratisation in Myanmar, particularly the solution of ethnic minorities problems; deeper regional integration and cooperation between China, Southeast Asia, and South Asia; stable economic development in the three sub-regions; the degree of Myanmar integration into the global economy; and the acceptance of Myanmar by the international community.

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<sup>22</sup> See, for example, Andrew Selth, "Burma, China and the Myth of Military Bases", *Asian Security*, 3:3 (2007), pp. 279–307.

<sup>23</sup> J. Mohan Malik, "Sino-Indian Rivalry in Myanmar: Implications for Regional Security", *Contemporary Southeast Asia*, 16:2, (September 1994), p. 61.





# **Border Trade between Yunnan and Myanmar: Current Situation and Significance**

*Lu Guangsheng and Zou Chunmeng<sup>1</sup>*

## **1. The Concept and Characteristics of Border Trade**

Border trade, in general, refers to the flow of goods and services across the international borders between jurisdictions. In this sense, it is a part of normal legal trade that flows through standard export/import frameworks of nations. Border trade in China can be divided into three different forms: the first one is the goods trading between the border residences, it is a form based on the buying and selling of allowed goods under certain amount of money between individuals living close to the border; the second form is called the small amount border trade, it is a form based on the trading of allowed goods and services between enterprises which are located near the border; the last form is called tourism border trade, it refers to the border trade brought by the tourists who visit the border areas.

The relatively small size of border trade enterprises, the small market capacity, and the small quantity of contract number are the basic characteristics of the border trade in China. Provinces and autonomous regions that operate the border trade in China include: Guangxi Zhuang autonomous region, Yunnan province, Tibet, Xinjiang Uyghur autonomous region, Inner Mongolia, Hei Longjiang, and Jilin provinces. Both individuals and enterprises participate in the border trade, and thus trading forms exist ranging from the early goods exchange trade to the modern paperless trade.

## **2. Chinese Laws and Regulations about Border Trade**

China enjoys a land border of over 20,000 km and borders with fifteen countries so its precondition for developing border trade is unique and convenient. But after the founding of People's Republic of China in 1949, the border trade in China has

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<sup>1</sup> Dr. Lu Guangsheng, Professor and Vice Director of Institute of Southeast Asian Studies, Yunnan University.

Zou Chunmeng, Ph.D candidate of Xiamen University and a Lecturer of Institute of Southeast Asian Studies, Yunnan University.

encountered a number of difficulties and its development was extremely limited. The main reason for that was probably due to the closed economic policy carried out by the government which greatly burdened the border trade at that time. Thus, it did not enjoy the normal development it deserved. But that situation has been greatly changed after China's reform and opening up of its economy in 1978. China began to implement market-oriented reforms and opening-up policy after 1978 and border trade also began to flourish since then.

In the last thirty years, the evolution of trade policy and regulations can generally be divided into three phases. The first phase started from 1982 to 1993. In this phase China mainly encouraged and supported border trade. The Chinese government began to explore the method to support border trade as early as 1982, and there were two major initiatives at the time to support the border trade. The first was to resume the border trade with neighbouring countries and the second was to introduce the specific policies regarding border trade activities. In 1984, the Ministry of Foreign Trade and Economic Cooperation issued the "Provisional Border Trade Management Method" for the purpose of promoting border economy and meeting border people's needs. This was the very first specific border trade policy; it clearly determined the location, principle, tax, and quantity limitations of border trade activities. The Seventh Five-Year Plan of China in 1986 stressed that it is necessary to promote border trade in areas where the preconditions are good. After having some experiences of operating in the border trade, the Chinese government began to support the border trade on a full-scale and has implemented a series of policies to encourage border trade. In 1990, the State Council issued "The Regulations and Decisions on Foreign Trade to Further Reform and Improve the Trading System" in order to fight against the imperfections of the foreign trade system and irregular border trade market orders at that time. Besides that, the State Council issued another policy document, "Actively Promote the Border Trade to Enhance the Economic Cooperation to Enhance Prosperity and Stability in Border Areas", the next year; the implementation of these policies has greatly promoted the border trade in China.

The second phase roughly started from 1994 to 1997. At this phase, the national policy tended to straighten out the order of border trade and put some limit for the previous preferential policies. Thanks to the support of national policy, border trade has developed rapidly, but along with the prosperity in the border trade, some problems began to be exposed. In 1996, the State Council issued "The State Council Notice about the Border Trade" which stipulated that all goods except tobacco, wine, and cosmetics goods produced by the neighbouring countries should be levied by half of the previous tax amount. Due to the fact that the border trade goods were tax free before, this policy actually weakened the preferential degree.

The last phase was from 1998 to the present time. In this phase, China further regulated its rules and policies for the border trade. In 1998, China made some adjustments on “The State Council Notice about the Border Trade”, which was issued in 1996, and unveiled “Foreign Trade and Economic Cooperation of the State Council Supplementary Notice on Further Development of Border Trade” which strengthened the preferences of the original policy. In addition, the state also enacted in 2003 “The Management Method on Border Trade Foreign Exchange” to allow the use of freely convertible currency, the currency of the neighbouring countries or Yuan-denominated settlement which significantly reduced the transaction costs. In 2007, China enacted the “Eleventh Five-Year Plan of Border Prosperity” which gave border areas more policy preference and thus allowed more space for border trade development.

Since the global financial crisis struck in 2008, the state also adopted a number of fiscal and investment incentives to increase its efforts to promote economic and trade development in border areas. The specific content of these measures are: first, increase financial support for border trade development. Since November 1, 2008, the special transfer payment approach replaced the former border trade import taxes levied by the statutory tax rate and increased the amount of funds earmarked to support the border trade and the capacity-building of the border trade enterprises. Second, increase the import duty-free limit for border trade commodities. Since November 1, 2008, the imported border trade goods’ duty-free limit was raised to RMB8,000 per person per day. Third, support the construction of the border special economic zones. For the national level border economic cooperation zone, the state implemented the preferential incentives similar to the central and western areas’ Economic and Technological Development Zone infrastructure projects discount loans and financial support. During the macro planning process of special supervision areas, China would include border trade into its overall plan and give it special considerations. Fourth, further reduce the burden of border trade enterprises. Clean up and standardise the administrative service fees involving the border trade. Fifth, pay closer attentions to studying the general trade export, tax rebate of the RMB settlement issue and to give priority to the RMB pilot projects in the border area. Sixth, support the construction of border ports. The state would earmark special funds every year to support the first-class border port facility and provide subsidies to gradually increase the amount of investment.

### **3. The Current Conditions and Development about Border Trade between Yunnan and Myanmar**

China-Myanmar trade has increased rapidly since Myanmar implemented the market-oriented reforms in 1988. And Yunnan-Myanmar trade accounts for about

half of the total bilateral trade. But behind the seemingly prosperous border trade between Yunnan and Myanmar, some problems still exist to hamper the further development of the Yunnan-Myanmar trade. So both governments have strived to work out favourable policies to promote the border trade between Yunnan and Myanmar.

### 3.1 General Development and Growth of Yunnan and Myanmar Border Trade

Myanmar has launched the market-oriented reforms and opening-up policy since 1988, and its foreign trade has been increasing rapidly. Furthermore, its bilateral trade with China has been especially successful. The China-Myanmar bilateral trade amounted to only USD313 million in 1989, but has increased to USD767 million in 1995. According to Myanmar statistics, the bilateral trade reached USD2.4 billion in the 2007–2008 fiscal years. Myanmar has always been in the deficit position in its bilateral trade with China; the import volume has increased every year but its export remained almost the same from 1988.

The border trade occupies a lion's share in China-Myanmar bilateral trade. From 1991 to 2005, the border trade accounts for about 40 per cent to 80 per cent of the total bilateral trade (See Table 1).

**Table 1: China-Myanmar border trade in the year 1991–2005**  
(Million Dollars)

Fiscal Year	Export	Import	Value	Trade Balance	Percentage of Border Trade
1991–1992	52.52	54.47	106.99	-1.95	76.82%
1992–1993	58.5	131.24	189.74	-72.74	73.56%
1993–1994	27.04	90.23	117.27	-63.19	47.28%
1994–1995	29.96	65.08	95.04	-35.12	40.99%
1995–1996	22.03	229.31	251.34	-207.28	74.81%
1996–1997	29.82	158.68	188.50	-128.86	52.78%
1997–1998	86.44	59.37	145.81	-27.07	56.72%
1998–1999	94.88	99.41	194.29	-4.53	64.71%
1999–2000	96.39	94.90	191.29	1.49	55.54%
2000–2001	124.38	100.11	224.49	24.28	54.52%
2001–2002	133.12	115.85	248.96	17.27	49.22%
2002–2003	158.17	132.57	290.74	25.6	63.13%

2003–2004	177.26	163.84	341.10	83.42	64.14%
2004–2005	246.46	176.37	422.83	70.09	61.47%

*Source: The Ministry of Commerce (Myanmar)*

The trade volume between Yunnan and Myanmar accounts for more than half of China-Myanmar bilateral trade, and border trade plays a dominant role in Yunnan-Myanmar trade. The Yunnan-Myanmar trade has maintained the increasing momentum during the three years (See Table 2).

**Table 2: Yunnan-Myanmar trade volume in the year 2006–2008**  
(Million Dollars)

Year	Trade Volume	Export	Import	Trade Balance	Growth Rate (%)		
					Total Trade	Export	Import
2006	69208	52113	17095	35018	9.6	27.0	-22.7
2007	87357	64068	23289	40779	26.2	22.9	36.2
2008	119279	72769	46510	26259	34.5	12.3	94.8

*Source: Yunnan Department of Commerce*

### 3.2 The Latest Development of Yunnan-Myanmar Border Trade

According to Myanmar statistics, the China-Myanmar bilateral trade volume has increased from USD1.5 billion in 2006/2007 fiscal year to USD2.4 billion in 2007/2008 fiscal year and it has accounted for 24 per cent of Myanmar's total trade volume. The border trade accounts for more than 60 per cent of the total trade volume. The Yunnan-Myanmar trade volume reached USD350 million, USD500 million, and USD800 million from the fiscal year 2004/2005 to 2006/2007.<sup>2</sup> Mechanical and electrical products, textiles, chemical products, metallurgical products, and medicine products are the main export products of Yunnan province through border trade. Timber and jade are the main import for Yunnan and its value exceeds RMB100 million each year, which occupies nearly a half of the total import values.

It is worth noting that the Yunnan provincial government has studied and issued a series of policies to promote the border trade with Myanmar. The promoting of the use of RMB settlement is probably the most important measure. After the US and other Western countries imposed more severe economic sanctions

<sup>2</sup> See <http://mm.mofcom.gov.cn/article/jmxw/200811/20081105878917.html>, accessed on 2008-11-07.

toward Myanmar in 2003, the Myanmar government assembled the representatives of the Ministry of Trade, the Ministry of Fisheries, and the Ministry of Industry and Border Trade Authority in Yangon in August 5, 2003 to inform them about the impact of Western sanctions on domestic economies and encouraged them to enhance the border cooperation with China, Thailand, and India. At the same time, the Myanmar government proposed to change the condition under which the dollars is the main settlement currency for border trade. This move coincided with China's implementation of "The Further Notice about the Settlement for Yunnan-Myanmar Border Trade and Export Rebate Management", which has significantly promoted the border trade between Yunnan and Myanmar. It is understood that over 95 per cent of the Yunnan-Myanmar border trade is settled by RMB, and the use of Myanmar currency is extremely rare. Besides that, the small amount border trade accounts for a large part of the total border trade between Yunnan and Myanmar. But, in recent years, some disagreements have emerged as to whether or not to remove the preferential policies for small amount border trade. The former preferential policy has been approved in 1996 by the State Council. However, the main focus of the controversy lies in whether or not this policy is in contradiction with WTO rules. The chief director, Mr. Gao, from the Department of Commerce of Yunnan stressed that this policy is not in conflict with WTO rules and cite US and Mexico as an example to prove that US and Mexico are adjacent to each other and the preferential policy also exist between them. A preferential policy for small amount border trade is vitally important to Yunnan Province. According to Kunming Customs statistics, the small amount border exports has increased by 30.5 per cent from the previous year in 2007, and reached USD1.1 billion. Yunnan would be seriously affected should the preferential policies be removed by the central government. Generally speaking, the central government and the provincial government alike have worked out the preferential policies to promote the border trade. And according to experience, the border trade is also very sensitive to the policies.

### 3.3 Case Study

#### 3.3.1 Ruili-Muse Cross-Border Economic Cooperation Zone

##### *3.3.1.1 The preferential policies for Ruili-Muse economic cooperation zone*

Ruili-Muse is the biggest border port between Yunnan and Myanmar. In order to push the cooperation between the two countries, both governments have issued a series of policies to promote the border trade. China has implemented the "Inside the Border, Outside the Custom" policy in 2000 in Jiegao port to help build the border trade economic zone. Myanmar has implemented similar policies to promote border trade. Yunnan government has also recently proposed

to construct the Ruili Cross-Border Economic Cooperation Zone, and the Dehong county government has further proposed to construct Ruili-Muse Border Free Trade Area. Chinese customs will not put the commodities which are imported from Myanmar to Muse under supervision; and according to the “Inside the Border, Outside the Custom” policy, financial and insurance institutes are allowed to enter Jiegao’s border areas to operate the foreign currency RMB and insurance business now. A series of preferential policies involving finance and tax management also existed to support the border trade. For example, the third-country foreigners who enter Jiegao’s border areas are exempted from a visa for seventy-two hours. And Chinese citizens are free to enter and exit Jiegao’s border trade areas with ID cards. Foreign citizens are allowed to run a business if they possessed legitimate foreign ID cards. The trade volume of Jiegao reached about RMB500 million in 2005 and the Yunnan government plans to increase that number to RMB1.2 billion within ten years.

#### *3.3.1.2 The Myanmar government’s policy on Muse 105 Ma Trade Area*

When the minister of Department of Trade, General Thein Sein, was conducting research and investigation in Muse on 24 September 2004, he stressed that Myanmar would develop normal trade in Muse for the purpose of promoting trade and effectively fighting the smuggling activities. Then after years of careful research, Muse 105 Ma Trade Area was established on 11 April 2006.

Similar to the “Inside the Border, Outside the Custom” policy, Myanmar has designated nearly 300 square km area near Muse 105 Ma as free trade area or tax free area. It has the largest development scale and enjoys the most preferential policies in Myanmar. The Chinese export commodities are free to enter Myanmar through Muse, Jiugu, and Nankan, and then complete the customs declaration procedure at Muse 105 Ma, and the commodities would be seen as export before Muse 105 Ma. Although it has not been officially announced, Muse and Jiugu areas have become the most special trade zone which enjoys the most preferential policies from the Myanmar government.

#### *3.3.2 The Alternative Cultivation Project in Yunnan-Myanmar Border Areas*

##### *3.3.2.1 Current condition of alternative cultivation in Yunnan-Myanmar border areas*

Since the establishment of GMS cooperation mechanisms in 1992, international anti-drug cooperation has become one of the focal points of GMS cooperation mechanisms. In the eighth Ministerial-Level Conference of GMS, which was held in Manila in 1998, Myanmar advocated the introduction of alternative cultivation cooperation mechanism and it has been echoed by other GMS countries. The development of alternative cultivation of poppy in Yunnan-Myanmar border areas is not only helpful to support the anti-drug project, but its

product is also an important border trade good. Thus it supports the border trade indirectly.

Now there are about 200 enterprises in Yunnan which operate the alternative cultivation project in border areas and they have made sizeable achievement already. In 2008, Yunnan government issued “Yunnan Provincial Outline of Alternative Cultivation Development from 2006 to 2010”. According to it, Yunnan has aimed to increase 0.4 million Mu new alternative cultivation. Yunnan plans to make good demonstration projects this year to attain a “double effect”. On one hand, Yunnan is willing to show the aggregate achievement reaped by the alternative cultivation project to the international community. On the other hand, Yunnan plans to set alternative cultivation project as a good example to raise the border people’s living standard and promote the local economies.

The alternative cultivation project in Yunnan-Myanmar border areas is to some extent irreplaceable by other countries and it is beneficial to the economic and social development of the northern Myanmar border areas. In addition, the product produced by alternative cultivation project could fill the shortage gap in domestic market. Yunnan and Myanmar could reap a win-win situation by the alternative cultivation project. The main direction of future alternative cultivation lies in the lifting of cooperation levels and upgrading to alternative economics.

#### *3.3.2.2 Preferential measures implemented by Yunnan province to support alternative cultivation project*

First, Yunnan has implemented a series of governmental documents to promote alternative cultivation project. These documents include “The Provisional Management Method to Regulate the Alternative Cultivation in Foreign Areas”, “Yunnan Provincial Outline of Alternative Cultivation Development 2006 to 2010”, and “The Notice to Instruct the Alternative Cultivation Task for Cities and Counties in 2007” etc. Second, the Yunnan government actively implemented the state supporting policies and provided sufficient funding to promote the alternative cultivation project. The supporting fund for alternative cultivation is collectively arranged by the central budget; and the Yunnan provincial government is responsible for making a reasonable budget and to distribute the fund to the enterprises and local government. Lastly, the Yunnan government has also provided customs and other cross-border facilitating measures to support alternative cultivation project.

#### *3.3.2.3 Some problems of Yunnan-Myanmar border trade*

Some problems still exist in Yunnan-Myanmar border trade. First, the sloppy development of infrastructure construction in Yunnan-Myanmar border areas has become a “Bottle Neck” factor to hamper further border trade development.



Second, commodities exchange is the main trading form of Yunnan-Myanmar border trade and technology cooperation is relatively scarce. Commodities exchange trade is the principle trading form for the Yunnan province, but its weaknesses are also apparent. Along with the transaction cycle, it also occupies a lot of fund in a pending period, so it placed great restrictions on business development. Besides, the border trade commodities are extremely narrowed to daily use products and other resource products. And the import of resource product by Yunnan is likely to incur trade frictions with Myanmar. Timber trade is a typical example of trade conflict between Yunnan and Myanmar. Yunnan imports a large quantity of unprocessed and low added-value logs from Myanmar, which raised some discomforts in the Myanmar societies.

According to the Kunming customs, the timber import value reached USD73 million, USD98 million, and USD125 million in 2002, 2003, and 2004 respectively and accounted for about 18 per cent, 20 per cent, and 22 per cent of total Yunnan-Myanmar trade volume. Before 2006, people who frequently passed the western Yunnan areas had this impression: a number of large trucks which were loaded with huge logs or rough timber sheet materials would go through all the way from western Yunnan to all parts of China. "This kind of illegal timber business is usually operated by Chinese enterprise, local businessmen and corrupt officials, the local people could not reap any benefit from such timber businesses and it has reached a peak at around 2000!" One businessman from Fujian Province said, "We love Myanmar timber because it has a good quality. We can process it into furniture and then sell it to Japan and U.S." But Myanmar has lost a large quantity of forest in border areas due to this kind of illegal timber trade. In 2005, Myanmar university students in Yangon walked out to the street to protest about the illegal timber trade. This has put every party involved into embarrassment, and the issue has become a political problem which has led the Myanmar government to be under international pressure for a long time.

#### *3.3.2.4 Countermeasures to solve Yunnan-Myanmar border trade problems*

China should invest more to upgrade the infrastructures in Yunnan-Myanmar border areas and expedite the high-class road constructions in border areas. In addition, both China and Myanmar should encourage enterprises to invest more on high-tech industries and enhance the technology cooperation between the two sides. As for the timber trade frictions, both sides should enhance the discussion and cooperation to limit the trade friction under certain scope and to maintain the normal development of the timber trade. In fact, the Chinese government and the Yunnan provincial government alike have attached great importance to the illegal timber trade with Myanmar. After the demonstration by Myanmar university student, Yunnan border defence army made the immediate decision that all the

border stations and the border checkpoints to take practical action to prohibit Chinese personnel from leaving the country for illegal logging and to stop any timber inspection or let it pass the custom to ensure the normal timber trade order with Myanmar.

The Yunnan provincial government and local businessman should conform strictly to China's "Harmonious Neighbours, Peaceful Neighbours, and Rich Neighbours" foreign policy and provide the necessary help for Myanmar society.

## **4. The Impact of Yunnan-Myanmar Border Trade**

Yunnan-Myanmar trade plays an important role in China-Myanmar bilateral trade, and the economic development is sure to affect the political relations between the two countries. For Myanmar, the trading with Yunnan is an effective means to neutralise the negative impact brought about by the Western sanctions.

### **4.1 Economic Impact of Yunnan-Myanmar Border Trade**

Yunnan-Myanmar border trade has greatly enhanced the bilateral trade between the two countries and made important contributions to the economic development for the two countries. The industries of Yunnan and Myanmar are greatly complementary so it is easy for both sides to gain intrinsic cooperative momentum. Through border trade with Myanmar, a number of strong enterprises have been developed in Yunnan. A border export processing base has also been formed with Kunming, Honghe, Dali, Baoshan, and Dehong as its main trade hubs. Many enterprises which produce export products have set their affiliate companies near border areas to directly operate on border trade. This strategy has not only reduced the medium procedures but also expanded the market for the border enterprises.<sup>3</sup> Thanks to the border trade with Myanmar, Yunnan province has greatly improved its foreign trade opening degree and lifted the economic development of border areas. For example, the tax revenue in Dehong in 1984 was about RMB30 million, but through border trade with Myanmar, its tax revenue has increased almost fifty-fold in 2008 to reach RMB1.47 billion. In addition, Yunnan-Myanmar border trade has special significance for Yunnan because Myanmar has been the largest trading partner for the most part of the first ten years of the new century. Yunnan-Myanmar bilateral trade volume reached USD1.2 billion in 2008, and Myanmar is still the most important trading partner for Yunnan.

Myanmar has also obtained the necessary daily necessities and production materials which accelerated the economic development in border areas and

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<sup>3</sup> Zhu Zhenm, "Yunnan's border trade with neighboring countries", *Yunnan Social Science*, 6th edition, 2000, p. 55.

greatly improved the living standard for the people living close to the border through border trade with Yunnan. Besides, Myanmar has always been sanctioned by Western countries which made it inevitable that Myanmar had no access to Western countries' advanced technologies and funds. But through border trade with Yunnan province, it could counteract the negative effect brought by the economic sanctions to some extent.

#### **4.2 The Political Impact of Yunnan-Myanmar Border Trade**

Historically speaking (especially before 1990), China-Myanmar political relations is much more important than their economic relations. But after 1990, the close economic relations between the two countries definitely acted as a catalyst for the development of political cooperation. Yunnan-Myanmar trade accounts for more than half of the total trade between the two countries, so Yunnan-Myanmar trade is vitally important in the bilateral relations of China and Myanmar. But the over-close Yunnan-Myanmar economic relations could also influence the interest conflict between the central government and the Yunnan provincial government. So how to harmonise the interest between the central government and the Yunnan provincial government is also a big issue. Seeking the stable neighbouring environment and the unimpeded path to the Indian Ocean is the top strategic interest of China toward Myanmar. Therefore, although the Yunnan-Myanmar trade has been developing at an unprecedented pace, China does not have much economic interest in Myanmar so it is unreasonable to say that northern Myanmar has become China's special economic zones. Neither the Chinese government nor the Yunnan provincial government has a salient political interest on Myanmar.

In addition, Yunnan-Myanmar border trade is extremely important for the relationship between China and Myanmar minority armies. Due to the fact that the majority of Myanmar minority armies maintain the border trade relations with Yunnan and some are even economically dependent on border trade with Yunnan, therefore, Myanmar government has to take border trade into consideration when it wants to change border trade policies. If the new border policy would have negative impact on the border trade with Yunnan, it would also be difficult to win the support from the minority armies. But the economic cooperation between the minority armies and Yunnan has also brought about some problems. For example, in order to obtain the necessary funds and materials, some minority armies would attract Chinese companies to exploit the natural resources without the permission from the Myanmar central government and thus causing some discomfort in the central government. Generally speaking, Yunnan-Myanmar trade plays the dominant role in China-Myanmar bilateral trade and the benign development between Yunnan and Myanmar is vitally

important for the bilateral relations. In addition, the border trade would affect the Myanmar policy indirectly through minority armies.

### **4.3 The Social and Cultural Impact of Yunnan-Myanmar Border**

Yunnan-Myanmar border trade has promoted the exchange of goods, people, and technologies between the two sides and has greatly enhanced the living standards of people living in border areas. Border trade in general has brought about beneficial social effects for border areas. The development of the Yunnan-Myanmar border trade has altered the original closed and backward areas into relatively advanced regions and led to the overall social progress of border areas. Take Muse for instance: it was once a small county with no foreseeable economic or social development prospects. But after it has been designated as the border trade special economic zones, it has now become a newly emerged town with the rapid development of restaurant, service, and trade industries. The border trade has significantly accelerated the social progress of Muse and the living standard has been greatly improved. Besides that, the border area has always been a sensitive region because of minority and border defence issues. There is a large quantity of minority people living in border areas. They are basically in destitute condition and the social development level is extremely low. So sometimes they may be sceptical to the government's ability and even move to the neighbouring countries. Therefore, it is necessary to take full advantage of every domestic and foreign opportunity to promote border trade and thus raise the living standard, common development and prosperity of all nationalities for national unity and social stability.<sup>4</sup> The fact has been proved that areas with established and advancing border trade are also more stable and prosperous. The rapid development of border trade has promoted the economic development for both sides and raised the attractiveness of the border areas.

## **5. Summary**

Yunnan-Myanmar trade is extremely important in China-Myanmar bilateral trade, due to the fact that the Yunnan-Myanmar technological cooperation is relatively weak; there are still restrictions for the border trade between Yunnan and Myanmar. Yunnan-Myanmar trade is of vital importance for both China and Myanmar; it not only links the two sides to affect the economic development and socio-cultural exchanges and integration, but also contributes to giving both countries a favourable position in the current international environment.

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<sup>4</sup> Ge Sangdunzhu: "Strive the Border by Border trade", *Nationality Today*, 12th edition, 2001, p. 8.

**ASEAN'S  
Constructive Engagement  
with Myanmar**



# Myanmar and the ASEAN Integration Process

*Yang Baoyun<sup>1</sup>*

After the end of the Cold War, with economic globalisation and the evolution of the political and economic structures in the region of East Asia, ASEAN speeded up its integration process, with the focus on creating a “Great ASEAN” which included the ten countries in Southeast Asia. In order to enhance ASEAN’s international status and economic strength, they wanted to set up a mechanism in order to maintain the balance of power between the great powers and the protection of regional security for reassuring the long-term prosperity and stability in Southeast Asia. At the same time, the rise of ASEAN’s comprehensive strength would be helpful to strengthen its influence in international and regional affairs, as well as to become a pole in the Asia and Pacific area, which will allow them to play a bigger role in the future in this region.

At that time, in the Southeast Asian region, apart from Myanmar, three countries in Indochina, Vietnam, Laos, and Cambodia, had not yet joined ASEAN. Based therefore on the political, economic, and security considerations, it was an important step in the ASEAN integration process to bring as soon as possible these four states into ASEAN in order to create a ten-countries community in Southeast Asia. In response to the proposal made by ASEAN, Myanmar and the other three Indochinese countries demonstrated their interest by sending their representatives to participate, in May 1994, in the informal meeting with the other Southeast Asia countries held in Manila. They also signed the Statement of Intention to Establish a Community of Ten Countries in Southeast Asia; thus the objective for the establishment of a Great ASEAN. Subsequently, Vietnam in 1995, Laos and Myanmar in 1977, and Cambodia in 1999 joined ASEAN one after the other. The assumption of Great ASEAN finally became a reality.

In this process, the memberships of the three Indochinese states of Vietnam, Laos, and Cambodia proceeded quite smoothly; however, Cambodia could not enter ASEAN as scheduled in 1997 due to its domestic conflict. This did not cause any difficulties for its membership when Cambodia joined the ASEAN

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<sup>1</sup> Yang Baoyun, Professor of School of International Relations, Peking University, China.

two years later. These three countries established good cooperation with the other member states after joining ASEAN, making an important contribution to the ASEAN integration process. While on the contrary we can find that the membership of Myanmar is truly unpredictable; its volatile relationship with ASEAN or other member states also had a direct impact on the ASEAN integration process.

## **1. Myanmar: An Important Party in the ASEAN Integration Process**

Myanmar is the largest country of inland area in Southeast Asia and a significant land link exists between Southeast Asia and South Asia. It is also the only ASEAN member state neighbouring China and India. Additionally, the compatibility in the economic and trade relations between Myanmar and other ASEAN member states is very evident. Myanmar's resources such as forest, petroleum, natural gas, and fisheries are rich and unexploited; it could hopefully become the main supplier of raw materials to most ASEAN countries. In addition, Myanmar has a large population and less-developed industries, except for the grain which could merely be sufficient for the nation.

As almost all production and living materials depend on the imports, with the development of the ASEAN free trade area, types and quantity of goods of zero-import tariff in the region will increase more and more, and Myanmar will certainly become one of ASEAN's most important export markets. Therefore, Myanmar plays a very important role and function to ASEAN in the integration process either from the obvious geographic advantage, and special strategic position, or from the development of its economic potentiality.

Since the idea of Great ASEAN was formulated in 1994, ASEAN has kept a positive attitude on Myanmar's membership, for example the leaders of major countries in ASEAN such as Singapore, Thailand, and Indonesia have visited Myanmar one after another for supporting Myanmar to join ASEAN. At the same time, the Myanmar government also showed a great interest and enthusiasm in joining ASEAN and participating in the ASEAN integration process. In 1995, Myanmar's representative signed the "Treaty of Amity and Cooperation in Southeast Asia" on the occasion of the 28th meeting of the ASEAN Foreign Ministers held in Brunei Darussalam, and applied to become an ASEAN observer country. In December of the same year, Myanmar's leader signed the "Treaty on the Southeast Asia Nuclear Weapon-Free Zone" during the informal summit of ten Southeast Asian countries held in Bangkok. On August 1997, Myanmar applied formally in written form to become an ASEAN member and was accepted in November by ASEAN on the occasion of the informal summit of



Ten Southeast Asian countries held in Jakarta, Indonesia. Myanmar became the formal member of ASEAN in July 1997.

After joining ASEAN, Myanmar actively adopted a diplomatic approach based on “positive independence” and “priority on good-neighbours”, focusing increasingly on the development of the relations among ASEAN member states and their dialogue countries, insisting on a policy with a foothold in ASEAN and goodwill with neighbours. Myanmar joined and actively supported the process of economic integration in the region, thereby seeking its own interests and development. By virtue of its resources, Myanmar made efforts to attract investment from other ASEAN countries, thereby making a positive contribution in the development of the economic relationship with ASEAN countries. According to the officials of trade department of the Ministry of Commerce in Myanmar: for the year 2008/09, exports from Myanmar to ASEAN accounts for 40 per cent of total national export, and 50 per cent for imports from ASEAN to Myanmar, and Thailand is the largest export market to Myanmar, export volume accounting to \$2.4 billion; with Singapore being the largest import country, with import volume accounting to \$1 billion.<sup>2</sup>

However, Myanmar’s ASEAN membership also became a challenge to the development of regional cooperation and integration. The most important source came from the interference of Western countries on Myanmar’s domestic affairs, especially on the human rights issues. At the moment when ASEAN was considering the issue of Myanmar’s membership in ASEAN, Western countries warned and even threatened to withdraw in case ASEAN grants membership to Myanmar. The administration of USA strongly opposed on many occasions the acceptance of Myanmar as member of ASEAN, and sent in June 1996 two special envoys to ASEAN for lobbying the common sanctions measures against Myanmar. EU leaders have also repeatedly criticised the relationship between ASEAN and Myanmar especially on the ground that such relation was established with the appalling human rights record in Myanmar.

In spite of the repeated requests expressed by Western countries on ASEAN for growing pressure and impact to Myanmar, but the basic strategy on Great ASEAN remains to counteract external major powers, and to stick to non-interference in the internal affairs of member states and to contact Myanmar in “constructive position”, seeking to promote through such contact political and particularly economic changes. As ASEAN had a successful conciliation experience on the Cambodia issue, it has shown great confidence to solve the problem of Myanmar, thinking that they can within the framework of ASEAN,

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<sup>2</sup> ASEAN became the main market of import/export trades of Myanmar.  
<http://www.chinaasean.org/html/report/93975-1.htm>

“with the policy of ‘constructive contact’ and concerted efforts of all countries, find the effective measures to solve the problem”. If successful, it could again display ASEAN’s ability to solve local problems, enhance ASEAN’s political influence, and break further the limit of the great powers, thereby allowing it to choose its development path in accordance with its own values and orient regional affairs. Therefore, the ASEAN member states unanimously opposed the interference and criticisms made by Western countries on the issue of Myanmar’s ASEAN membership. They considered that Myanmar incorporated into ASEAN is essential in order to maintain peace and stability in Southeast Asia. They also believed that it is necessary to promote the process of democratisation in Myanmar in an Asian way and the application of isolation policy to Myanmar does not have any results.

From the point of view of ASEAN, Myanmar’s ASEAN membership is “a new milestone” in the implementation of Great ASEAN strategy, eliminating the final obstacles for fulfilling the target of “one Southeast Asia”. For this reason, in the process of Myanmar’s ASEAN membership, ASEAN has always pursued a policy of “constructive contact” and opposed the UN Security Council engaged in Myanmar issue, and this has become the main barrier for Myanmar to withstand the pressure of Western countries.

## **2. The Financial Crisis in Southeast Asia: The Interactive Process between ASEAN and Myanmar in the Integration was Disturbed**

However, on 23 July 1997, at the time when Myanmar joined ASEAN, the financial crisis broke out in Southeast Asia and caused immense political, economic, and social damages to the ASEAN countries. The negative growth of GDP occurred in Indonesia, Malaysia, the Philippines, and Thailand; government replacement happened in Indonesia and Thailand; political turmoil appeared in Malaysia, Singapore, and the Philippines; and the poor population increased sharply and serious social crisis emerged. The crisis demonstrated that ASEAN does not have much international status, impact, and effect; the confidence of the autonomy to solve the problem of ASEAN also was seriously undermined. The financial crisis in Southeast Asia made ASEAN aware that it is still not ready to liberate itself from its economic dependence of the West. To gain the International Monetary Fund’s (IMF) assistance, ASEAN had to accept strict conditions attached to Western model by economic restructuring and democratic reforms. They made the compromise on the democracy and human rights matters with USA and the EU, as it does not comply with ASEAN interests to keep away from USA and the EU due to the Myanmar issue.

Under such a serious situation of financial crisis, some ASEAN member states started to question the validity of the policy adopted consistently by ASEAN which focuses on “non-interference in the internal affairs”. This policy has always been the basic criteria for ASEAN, safeguarding and promoting the stability of the ASEAN solidarity and became one of the cornerstones for the “ASEAN Way”. However, with the growth and enlargement of ASEAN and the formation of Great ASEAN, the weaknesses of dispersed decision-making and implementation agencies was gradually exposed along with the weak collective ability to deal with the crisis which made it difficult to cope with emergencies. ASEAN internal demands of reform have been continually strengthening, for example, the former deputy prime minister of Malaysia Anwar shortly after the outbreak of the financial crisis has put forward a formula named “constructive intervention policy”; Thailand and the Philippines have shown their support towards this policy and Thailand called later this proposal as “flexible intervention”. Although this proposal was criticised at that time by a majority of the member states, from the point of ASEAN, flexible interventions in the common problem for some areas are corresponding to their interests. In the Foreign Ministers Meeting of the 4th ASEAN Regional Forum in 1997, Miss Albright, secretary of state of USA condemned Myanmar’s policy, but no ASEAN member state came out to support Myanmar as they had done before. The declaration of the meeting stressed later that ASEAN will make a flexible contact with Myanmar in order to improve the human rights situation in Myanmar. In response to the Western pressure on ASEAN on the Myanmar situation, they stated that they will advise Myanmar to adapt to the international community.

In December 1998, on occasion of the 8th ASEAN Summit held in Hanoi, all member states reached the consensus that emphasised on “strengthening the interaction among themselves”, which actually covers ASEAN’s new position on Myanmar issues.

Since the beginning of the 21st century, due to some internal reasons of Myanmar, ASEAN’s reputation and influence have been affected. Because Myanmar’s government had not made any statement regarding their projects of the reform and their progress, in particular in deference to ASEAN on the issue of opposition leader Mrs. Aung San Suu Kyi. This problem limits the ASEAN integration process, and blocks ASEAN-EU/USA relations. Facing the immense pressure imposed by USA and the EU, ASEAN member states have been continuously adjusting their policies towards Myanmar. On October 2003, the 9th ASEAN Summit adopted the Declaration of ASEAN Concord II, leaders of ASEAN members took a momentous undertaking of establishing an “ASEAN Community”. This document has not only focused to reaffirm “the fundamental

importance of adhering to the principle of non-interference and consensus in ASEAN cooperation”, but also adds the principle which stated that

ASEAN shall respond to the new dynamics within the respective ASEAN Member Countries and shall urgently and effectively address the challenge of translating ASEAN cultural diversities and different economic levels into equitable development opportunity and prosperity, in an environment of solidarity, regional resilience and harmony.<sup>3</sup>

In terms of the policy on Myanmar, Thailand has said that ASEAN should engage in collective intervention in order to prevent the deterioration of the political situation in Myanmar which can endanger the national security in Thailand and in other ASEAN countries. At the end of November 2004, ASEAN’s ruling party and the opposition party members from Malaysia, Thailand, Cambodia, Indonesia, Singapore, and the Philippines gathered in Kuala Lumpur, Malaysia to hold its first high level symposium on Myanmar and the ASEAN Inter-Parliamentary Caucus on Myanmar was created. This meeting

though not legally binding, sends a signal that ASEAN is moving away from being a purely economic organization. It represents a departure from ASEAN’s tradition of not interfering with members’ domestic issues and could be a precursor to eventually expelling Myanmar from the organization.<sup>4</sup>

Since then and a few months later similar organisations have been set up in Indonesia, Thailand, the Philippines, and Singapore. The deputies in these countries put forward the motions in the parliaments of their own country, urging the governments to abandon the policy of “non-interference in the internal affairs”, putting the pressure on Myanmar to push for democratic reform in Myanmar. At that time the voices have been raising calls such as “ASEAN should dismiss Myanmar” or “Myanmar quits ASEAN”.

Entering 2005, if Myanmar had taken over on-schedule the chairmanship of ASEAN in 2006, it would have become the focus of talk in the world; Western countries started putting pressure on ASEAN regarding this issue. USA and the EU repeatedly threatened to boycott all ASEAN meetings, thus leading to internal differences of opinion in ASEAN. The European Union was the first to put forward questions to ASEAN with regard to Myanmar’s qualification to take part in the Asia-Europe Summit; subsequently, Condoleezza Rice, secretary

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<sup>3</sup> Declaration of ASEAN Concord II, <http://www.aseansec.org/15159.htm>

<sup>4</sup> “ASEAN: Is Myanmar the First Crack in Solidarity?”, [http://www.stratfor.com/asean\\_myanmar\\_first\\_crack\\_solidarity](http://www.stratfor.com/asean_myanmar_first_crack_solidarity)

of state of USA, and Machimura Nobutaka, Japanese foreign minister, were absent in the Council of Ministers of the ASEAN Regional Forum held in Laos. All these actions in series caused a great pressure on ASEAN; besides Vietnam and Laos, most of the ASEAN member states opposed Myanmar to be appointed as the chairman in 2006. According to the rule of ASEAN organisational procedures, the presidency could be changed only when the candidate country has applied with the agreement of all member states in line. Otherwise, no country has the right to cancel the presidency held by any country.

To prevent a situation with Myanmar insisting on the chair and in turn having USA and Europe boycott the chairmanship, a strong lobbying movement was started by the ASEAN members to persuade Myanmar “to give up the Presidency for maintaining ASEAN solidarity and common interests”. Finally the Myanmar government had to declare that it was giving up the ASEAN presidency “voluntarily” in 2006, an event which occurred for the first time since thirty-eight years of establishment of ASEAN to change the presidency. The change of attitudes by the ASEAN member states was a cause of embarrassment for the Myanmar government. Myanmar felt betrayed and abandoned at the critical moment by ASEAN and made a tough reaction. In March 2006, Mr. Dato Seri Syed Hmid Albar, minister of foreign affairs of Malaysia, visited Myanmar as a special envoy of ASEAN, but he was neither met by Myanmar supreme leader Senior General Than Shwe, nor he had access to contact Aung San Suu Kyi or other members of opposition. This was the evident sign of nose-dive bilateral political relations between ASEAN and Myanmar caused by Myanmar forced abandonment of ASEAN presidency position.

In September 2007, the outbreak in Myanmar was the most important domestic anti-government demonstration since September 1988. The measures adopted by the government of Myanmar to pacify the event raised many criticisms from a number of Western countries. At the great pressure imposed by the Western countries and international public opinion, nine foreign ministers of the other ASEAN member states released on September 27 a joint statement criticising Myanmar’s authorities for its armed suppression of the mass demonstrations. At that time, the Malaysian prime minister Abdullah said that Rangoon plunged into such turmoil situation demonstrated that the policy adopted by ASEAN to focus on constructive engagement of Myanmar in order to allow it gradually implement its democratic procedures has been unsuccessful.

So we can say that the financial crisis in 1997 was an important turning point of changes for ASEAN’s policy *vis-à-vis* Myanmar. The most fundamental reason was that the economic difficulties caused by financial crisis made ASEAN realise that it cannot separate itself from the influence and assistance provided by the Western developed countries or by regional cooperation organisations such

as the European Union. For example, in the process of integration of ASEAN, it will need to draw lessons from the experience of the EU, and the European Union is in fact providing the assistance for the implementation of integration of ASEAN. If the various bilateral cooperation mechanisms existing between ASEAN and the EU, including the mechanism of ASEM set up in 1996, had been hampered by the Myanmar issue, it would have damaged the interests of ASEAN itself and this could have had a negative impact on the integration process. However, the oscillation of ASEAN's policy *vis-à-vis* Myanmar would no doubt affect the ASEAN integration process.

### **3. Promoting the Integration Process: The Common Interests of ASEAN and Myanmar**

However, with ten years experience since the entry of Myanmar into ASEAN in 1997, ASEAN and the Myanmar government have clearly realised that the process of regional cooperation in Southeast Asia, ASEAN, and Myanmar is closely related and mutually dependent by common interests; therefore it can be stated that they are both integral to each other. To ASEAN, its target of integration could not be realised without the participation of Myanmar. From the day when it decided to accept Myanmar as a member, ASEAN has repeatedly stressed that Myanmar is a member of the “great family” of ASEAN. If ASEAN goes all the way to meet the West by imposing sanctions on Myanmar or forcing its military to withdraw, ASEAN's reputation and cohesion would be seriously affected and consequently it will cause damage on the momentum of development and integration process of ASEAN. In addition, ASEAN is quite hesitant on the effect and the prospect of relying on external forces to promote and push for reform in Myanmar. For example, Myanmar's ethnic issue is very complicated; if this problem is not effectively controlled, a large number of refugees fleeing from the country may cause large unrest in Southeast Asia.

As regards the Myanmar government, it has already obtained many benefits from ASEAN although it has suffered various censures from inside and outside of the cooperative organisations in this region, since it has become a member of ASEAN. In particular, the country is confronted actually with many difficulties under the unprecedented pressures, so there is no possibility that Myanmar can take any initiative to renounce ASEAN, a strategic support, and it cannot banish itself from the international community. In this context, Senior General Than Shwe, chairman of Myanmar's State Peace and Development Council urged, in the statement of commemoration of the 40th anniversary of ASEAN and the 10th anniversary of Myanmar's ASEAN membership on August 8, 2007, the people in his country to work together with other ASEAN member states to realise the

goal of the ASEAN community. He pointed out that ASEAN has achieved a lot of success in the past forty years, for example it is dealing successfully with the various crises including the Asian financial crisis, tsunamis, SARS, avian flu, and other challenges and threats. The work method of ASEAN is solidarity, consultation, consensus, mutual respect, and non-interference in internal affairs; these principles are the power of ASEAN. Senior General Than Shwe said that in order to achieve peace, stability, and development inside and outside of the region and to seek for a peaceful coexistence with Southeast Asian countries, Myanmar joined ASEAN officially in 1997. This effectively contributes to the economic and trade development among Myanmar and the other ASEAN member states. After ten years of experience, Myanmar has realised the necessity to enhance its relation with ASEAN, together with the ASEAN countries to be integrated into the community of ASEAN which will be completed as scheduled.<sup>5</sup>

Therefore, when the situation gradually stabilised in Myanmar and the United Nations intervened, ASEAN as a whole again treated the Myanmar issue in a consistent attitude in order to avoid the tension with Myanmar which could hamper the integration process of ASEAN. It was under such circumstances that ASEAN had firstly rejected the requirement to suspend Myanmar's ASEAN membership presented in a resolution adopted by the Congress of the United States and demands to sanction Myanmar from the EU. Subsequently at the 13th ASEAN Summit held in Singapore on November 20, 2007, a press conference in which Mr. Ibrahim Gambari, special envoy of the United Nations, would have delivered a report on the situation in Myanmar, was cancelled at the last moment according to the request of Myanmar; thus making sure that all the member states signed the ASEAN Charter at the Summit.

Signing of the ASEAN Charter by ten leaders of ASEAN is a landmark event in the integration process. Although the principles of the Charter are much arguably centred around the member states, it has declared: "Respecting the fundamental importance of amity and cooperation, and the principles of sovereignty, equality, territorial integrity, non-interference, consensus and unity in diversity" all to be the fundamental principles of the ASEAN Way. It is also worth nothing that the ASEAN Charter also emphasises the content of "Adhering to the principles of democracy, the rule of law and good governance, respect for and protection of human rights and fundamental freedoms; the respect, protection and promotion of human rights and freedom." The Charter further states: "In conformity with the purposes and principles of the ASEAN Charter relating

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<sup>5</sup> Myanmar's leader called for efforts to achieve the common goal of the ASEAN community, [http://news.xinhuanet.com/newscenter/2007-08/08/content\\_6493963.htm](http://news.xinhuanet.com/newscenter/2007-08/08/content_6493963.htm)

to the promotion and protection of human rights and fundamental freedoms, ASEAN shall establish an ASEAN human rights body.”<sup>6</sup> Myanmar’s government accepted these principles through the signing of the Charter. In this ASEAN Summit, the Blueprint of the ASEAN Economic Community was approved. The Declaration on the Roadmap for the ASEAN Community (2009–2015) was concluded, and the documents dealing with the three ASEAN pillars of security community, economic community, and socio-cultural community, which drew the outline of full form of the ASEAN community to be completed in 2015, was agreed upon. The signature of Myanmar to all these documents laid a solid foundation for implementing and accelerating the integration process by the ASEAN way.

Since then, the Myanmar government has adopted a series of measures to display its efforts to implement the ASEAN integration. On February 9, 2008, Myanmar’s top authority—the State Peace and Development Council—issued two statements, announcing a new constitution by referendum to be held in May 2008, and the general elections in the multi-party system in 2010 under the new constitution. As the last general elections in Myanmar was held in 1990, and the last constitution was repealed in 1988, so this roadmap of democracy in Myanmar promulgated after twenty years was appreciated by the other ASEAN member states and they commented at the earliest opportunity. On February 11, a spokesman of the Foreign Ministry of Singapore which took the office of the ASEAN presidency said that the referendum and elections in Myanmar “is a positive development”, and he expressed the hope that this will eventually bring a peaceful settlement to Myanmar. On the next day, Mr. Surin, the ASEAN secretary-general, who assumed the post just a month before, gave also a positive assessment on the practice of Myanmar in an interview: “I think this is the development in the right direction.”<sup>7</sup> On 21st July of this year, the Myanmar government officially approved the ASEAN Charter. It demonstrated that a positive interaction re-emerged between ASEAN and Myanmar in favour of the integration.

With the arrival of the Obama administration, the United States began to adjust its diplomacy in Southeast Asia, including Myanmar, from its geopolitical considerations to increase diplomatic action in Southeast Asia and particularly in Myanmar, in order to balance the Chinese influence in the region. At the evening of July 22, 2009, the United States delegation who participated in the ASEAN Regional Forum in Phuket Island of Thailand “uncommonly” held a closed-door

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<sup>6</sup> Charter of the Association of Southeast Asian Nations, <http://www.aseansec.org/21069.pdf>

<sup>7</sup> Myanmar announced a timetable about the roadmap for democracy that raised concerns in the world, <http://www.chinanews.com.cn/gj/gjxqdb/news/2008/02-14/1162244.shtml>



meeting with the Burmese delegation, and “the meeting content concerned Aung San Suu Kyi”.<sup>8</sup> The next day, Mrs. Hillary, US secretary of state, expressed in the ASEAN Regional Forum her “appreciation” towards the Myanmar position for its support to the measures taken by the Security Council of United Nations *vis-à-vis* DPRK. In August 2009, Senator James Webb, chairman of East Asia Pacific affairs in the Foreign Relations Council of the United States visited Myanmar, and had the honour to meet Senior General Than Shwe, chairman of Myanmar’s State Peace and Development Council. He became the first American senator to be met by Senior General Than Shwe since 1988. Thereafter, the warming up returned in the relations between the United States and Myanmar. On September 24, Mrs. Hillary Clinton stated publicly that the United States will review its policy on Myanmar, orienting from the sanctions to the contacts. On September 28, Mr. Webb held a meeting with Mr. Thein Sein, the prime minister of Myanmar, on over-the-counter of United Nations Assembly in New York. Mr. Thein Sein is the highest level official of Myanmar to attend the UN Assembly in New York in fourteen years since 1995; this visit was possibly due to the lifting of the visa ban imposed on senior officials of Myanmar by the United States.<sup>9</sup>

The European Union criticised and even censured the relationship between ASEAN and Myanmar in the past; however, it would not put too much tension on its relations with ASEAN due to the Myanmar problem in consideration of the importance of EU’s economic interests in the market of Southeast Asia. Especially in the second half of last year when the financial crisis swept through the world, the importance for maintaining a close relation with ASEAN was more significant. Just as a member of the European Parliament told *Reuters*, disagreements over Myanmar could impede progress toward a potential free trade deal between the EU and ASEAN.<sup>10</sup> Some new attitudes adopted by the EU and US on Myanmar also saw the same response from the government of Myanmar. On many occasions, Myanmar’s leaders expressed their willingness to make the dialogue and contacts on an equal basis.

The improvement of international environment also gives ASEAN an opportunity to continue to deal with the problem of Myanmar in an independent way. Such as stated by Mr. Abhisit Vejjajiva, prime minister of Thailand, who will take the office of ASEAN presidency in 2010, ASEAN would continue to deepen its cooperation with Myanmar following the established routes, and continue to

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<sup>8</sup> ASEAN rejected the United States proposal, there are not the foundation to expel Myanmar from ASEAN, [http://news.xinhuanet.com/world/2009-07/25/content\\_11768742.htm](http://news.xinhuanet.com/world/2009-07/25/content_11768742.htm)

<sup>9</sup> American Senator will met the Prime Minister of Myanmar, <http://world.huanqiu.com/roll/2009-09/590849.html>

<sup>10</sup> Lee Hudson Teslik : The ASEAN Bloc’s Myanmar Dilemma, [http://www.cfr.org/publication/14353/asean\\_blocs\\_myanmar\\_dilemma.html](http://www.cfr.org/publication/14353/asean_blocs_myanmar_dilemma.html)

help the reconciliation process in Myanmar.<sup>11</sup> On October 23, 2009, the ASEAN Intergovernmental Commission on Human Rights (AICHR) was formally established. This commission is stepping across the various values of ten member states with the responsibility to safeguard and promote the human rights of the population of 500 million. This will be the first commission on human rights in the Asia-Pacific region. The heads of government of ASEAN member states were present at the ceremony of establishment of this commission on human rights, and were committed to give it greater permissions and more features. As the interpretation of human rights is different in a number of countries, the ASEAN Commission on Human Rights reflects at the current stage a minimum consensus after the compromise reached by member countries of this organisation. All countries agreed that the commission on human rights should improve people's awareness of human rights, to gather information about human rights, to examine human rights issues, and to submit a report to the ASEAN foreign ministers. The delegate assigned by Singapore said: "we want to enhance ASEAN human rights awareness among the people." He also emphasised that in taking forward the human rights work, it should understand and sympathise with the situation faced by the countries with regard to their limitations and sensitive issues. Due to the protection of women and children being one of the important topics of human rights, ASEAN will set up in 2010 an ASEAN Commission on the Promotion and Protection of the Rights of Women and Children (ACWC).<sup>12</sup> Myanmar's leaders also participated in the ceremony of the establishment of the ASEAN Human Rights Commission and showed a certain cooperative attitude.

Of course, the different views on the Myanmar problem from ASEAN member states may not be eliminated immediately, for example, Indonesia's foreign minister pointed out that if Myanmar's 2010 elections is to be a credible election, then Myanmar must release Mrs. Aung San Suu Kyi. At the 15th ASEAN Summit, published was the chairman's statement in which the leaders also urged the Myanmar military government to release all political prisoners, including the opposition leader Aung San Suu Kyi, and to make a free and fair elections next year.<sup>13</sup> On the one hand, the Myanmar government continues to express opposition to any intervention of its internal affairs, on the other

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<sup>11</sup> ASEAN rejected the United States proposal, there are not the foundation to expel Myanmar from ASEAN, [http://news.xinhuanet.com/world/2009-07/25/content\\_11768742.htm](http://news.xinhuanet.com/world/2009-07/25/content_11768742.htm)

<sup>12</sup> The ASEAN Intergovernmental Commission on Human Rights was established, [http://zaobao.com/yx/yx091024\\_001.shtml](http://zaobao.com/yx/yx091024_001.shtml)

<sup>13</sup> The ASEAN published the Chairman's statement to hurry Myanmar to release Aung San Suu Kyi, [http://news.ifeng.com/world/special/wenjiabaodongmeng/news/200910/1025\\_8411\\_1403445.shtmlv](http://news.ifeng.com/world/special/wenjiabaodongmeng/news/200910/1025_8411_1403445.shtmlv)

hand, it reiterated also in a variety of occasions that Myanmar will speed up the democratisation process, implementing national reconciliation. Myanmar authorities also permitted Mrs. Aung San Suu Kyi, the home-detained pro-democracy leader, to meet with Western diplomats, and with representatives of the junta.

From all these facts we can see that although the disaccord and friction between ASEAN and Myanmar in relation to the human rights issue will not see any proper outcome soon, the two sides will continue to promote their common interests in the process of integration of ASEAN. The criticism on Myanmar's democratisation and human rights issues, in particular on Aung San Suu Kyi's issue raised by ASEAN and some member states are considered more and more as well-intentioned advice and reminders towards Myanmar; and Myanmar also will continue to insist on its objection to external interference in their internal affairs, though at the same time demonstrate the attitude of promoting democratisation. Meanwhile the change of international relations in East Asia leading to the new changes among US/EU-ASEAN relations with Myanmar and the response made by the Myanmar government, has made the interaction beneficial to all parties. The ASEAN policy on Myanmar in the future will be based on the principle of "adherence of non-interference in internal affairs" and will focus more on intervention in its domestic political situation in order to persuade Myanmar to undertake democratic reforms, and to implement national reconciliation. The general elections in 2010 will be an important step forward of Myanmar for implementing its political commitment to the democratisation. If the general elections can be carried out smoothly, even though the military will still occupy in the future an important place in political and social life in Myanmar, the Myanmar-ASEAN relations could also be improved by this preliminary "return the power of government to the hands of the people".



# Can Myanmar Be Changed by ASEAN?

*Zhang Xizhen<sup>1</sup>*

Myanmar has been attracting a lot of attention from the world for its political democratisation and human rights issue. In recent times, Myanmar has faced pressure from the West and its ASEAN fellows for extending the house arrest of Aung San Suu Kyi for the third time for breaching the terms of the house arrest by allowing an American to swim to her house.

To force Myanmar to accelerate its democratic process and release the opposition leader Aung San Suu Kyi, Western countries have imposed economic sanctions on Myanmar, but they were not useful because no significant changes have taken place and the earlier domestic situation still prevails. Therefore, the Western countries turned to ASEAN in the hope that this grouping will utilise its clout to change Myanmar's political behaviour.

In December 2008, ASEAN formalised a charter that sets out rules of membership. The Charter's enforcement gives ASEAN the legal and institutional framework to function as a body with its own set of rules. It makes, in many people's eyes, ASEAN a more rules-based and binding organisation. Notably the Charter regulates the ASEAN members' commitment "to strengthen democracy, enhance good government and the rule of law, and to promote and protect human rights and fundamental freedoms".

As one of ASEAN's ten members, Myanmar, which ratified the Charter in 2008, is currently in fundamental violation of the ASEAN Charter's regulations on democracy, good governance, the rule of law, and the promotion and protection of human rights and fundamental freedoms. Therefore, it was appealed that ASEAN should force Myanmar to abide by the Charter so as to improve the human rights situation in Myanmar. Recently, ASEAN has received strong criticism and pressure from the West. As some critics point out, ASEAN has been disappointing. "It is clear that the strength of the charter has been seriously undermined by the Burmese regime, yet they [ASEAN] have kept quiet and done nothing," Debbie Stothard, coordinator of ALTSEAN-Burma, emphasised and added, "The military regime has reduced the credibility of the charter to toilet paper".<sup>2</sup>

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<sup>1</sup> Zhang Xizhen, is a Professor of the School of International Relations, Peking University, China.

<sup>2</sup> *Hughpage.com*, "Will ASEAN Charter cure Myanmar's ills?", [http://hotnews.hughpages.com/tell\\_8523\\_id\\_62.php](http://hotnews.hughpages.com/tell_8523_id_62.php)

But a question here is what ASEAN is able to do with Myanmar and does it have the capacity to change the process of democratisation in Myanmar's behaviour. This article tries to make an analysis of these questions. First of all, we will examine the failed efforts made by ASEAN as a whole and by some individual members of ASEAN, and then the article will analyse the reasons behind each failure.

## **I. Failed Attempts by ASEAN as a Whole**

On 30 May 2003, an incident of violence between pro-government people and supporters for Aung San Suu Kyi along with the National League for Democracy led to a six-years-long house arrest of Aung San Suu Kyi and detention of others. While many of those detained in connection with the 30 May incident have since been released, Aung San Suu Kyi and three other top members of the NLD Central Executive Committee continue to remain under house arrest. NLD offices across the country remain closed, and large numbers of political detainees also remain in prison. Therefore, the human rights issue has become a concern of the outside world.

The first reaction of ASEAN to this incident was to issue a joint communiqué. It was cautiously worded, noting "the effort of the Government of Myanmar to promote peace and development" but urging "Myanmar to resume its efforts of national reconciliation and dialogue" and "looked forward to the early lifting of restrictions placed on Daw Aung San Suu Kyi and NLD members".<sup>3</sup>

The then ASEAN secretary-general Ong Keng Yong and other ASEAN foreign ministers hailed ASEAN for taking a pro-active stand on Myanmar for the first time on the record. The Singaporean foreign minister Prof. S. Jayakumar said the Depayin Massacre was a setback for ASEAN. UN Special Envoy to Myanmar Tan Sri Razali Ismail lamented "constructive engagement" as just an excuse for perpetuating the status quo.

The foreign ministers of Singapore and the Philippines were reportedly very outspoken during the meeting, demanding the release of Aung San Suu Kyi. The ministers accepted an Indonesia proposal to send an ASEAN ministerial delegation to encourage the junta to hasten democratic reforms before the ASEAN Summit in October. But later, it was decided that Indonesia would send a special envoy in lieu of a ASEAN ministerial delegation, but the Myanmar's government dragged out the decision on whether to accept the envoy. In

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<sup>3</sup> Joint Communiqué of the 36th ASEAN Ministerial Meeting, 16–17 June 2003, <http://www.mofa.go.jp/region/asia-paci/asean/conference/fmjoint0306.html>

September, with discontentment, Philippine Foreign Secretary Blas Ople warned Myanmar that if they blocked the Indonesian envoy's visit, it would be taken as a "provocation". Under international pressure, the Myanmar government accepted the visit of the Indonesian special envoy, former foreign minister Ali Alatas, days before the ASEAN Summit. In Myanmar, Ali Alatas met with Myanmar Senior General Than Shwe, Prime Minister Khin Nyunt, and Deputy Foreign Minister Khin Muang Win. Indonesian diplomats cited the reason for Alatas's visit was to help the Myanmar government manage its "political situation".

With the promise from the Myanmar regime that Aung San Suu Kyi's detention was only "temporary", its permitting Ali Alatas's visit to Myanmar, and its transferring Suu Kyi from prison to house arrest, the ASEAN members at the Summit held in Bali did not criticise Myanmar. Ministers from ASEAN began taking a noticeably soft line on Myanmar during and after the Summit. ASEAN even expressed welcoming "recent positive developments" in Myanmar. No pressure from the ASEAN Summit made Myanmar so happy that the Myanmar government expressed its satisfaction, claiming that "relations between Myanmar and ASEAN have consolidated and opened a new page".<sup>4</sup>

The visit by Ali Alatas was, however, a disappointment because no further information was gained and he was not allowed to meet Aung San Suu Kyi. Shortly after Special Envoy Alatas concluded his trip to Myanmar, Indonesia President Megawati Sukarnoputri voiced her frustration saying, "the Myanmar government should state specifically whether it will keep Suu Kyi under house arrest or free her immediately".<sup>5</sup> Philippine Foreign Secretary Blas Ople openly criticised ASEAN after the Summit for failing to impose pressure on the Myanmar regime for political reform.

In comparison to ASEAN's official reactions to Myanmar, law-makers from ASEAN members' parliaments expressed stronger reactions. The Myanmar government faced pressure from an unofficial parliamentary group called ASEAN Inter-Parliamentary Myanmar Caucus (AIPMC), which was formed in Kuala Lumpur on 26–28 November 2004. The members of AIPMC were legislators from Malaysia, Indonesia, Singapore, Thailand, Philippines, and Cambodia. The grouping has been calling on the military government in Myanmar to bring about changes and democratic reforms in the country and calling for the unconditional release of Aung San Suu Kyi, as well as for the freedom of over a thousand other political prisoners in Myanmar. One of

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<sup>4</sup> *Xinhua General News Service*, "Myanmar- ASEAN relations open new page: official", 13 October 2003.

<sup>5</sup> *AFP*, "UN envoy visits Myanmar to see Suu Kyi, revive reform dialogue", 29 September 2003.

AIPMC's initial campaigns was to urge ASEAN to deny Burma its turn at chairing the regional bloc in 2006. At the same time, the United States and the EU warned that they would boycott ASEAN meetings if Myanmar is allowed to chair the bloc. Threats from the the United States and the EU made ASEAN chairing state Singapore suggest that the military-ruled Myanmar should give up its chairmanship of the ASEAN grouping the next year because of international concerns over its human rights record. Finally, ASEAN foreign ministers agreed that Myanmar would postpone its chairmanship until it was ready to take its term to be ASEAN chair. Myanmar had to accept this suggestion under pressure by announcing that it would defer holding the ASEAN chairmanship until it is ready, so its term of ASEAN chairmanship was taken by the next ASEAN member, the Philippines. At the 38th ASEAN Ministerial Meeting (AMM), Myanmar Foreign Minister U Nyan Win announced that Myanmar would not take up the chairmanship. The ASEAN communiqué states that the decision was made because Myanmar wants "to focus its attention on the ongoing national reconciliation and democratisation process". ASEAN expressed "sincere appreciation to the Government of Myanmar for not allowing its national preoccupation to affect ASEAN's solidarity and cohesiveness".<sup>6</sup>

This is a "face-saving" solution, and also the first successful effect which ASEAN had on Myanmar's behaviour, regardless of the fact that it could only affect the foreign behaviour and it had no impact on the domestic situation.

Having succeeded in its campaign, members of the Caucus have now further called on ASEAN and the UN via the UN Security Council to take concrete and binding actions on the military regime of Myanmar as it continues to show a lack of regard to human rights and fails to adopt concrete democratic reforms in the country, such as acknowledging the 1990 national general elections results and convening parliament. In its desire to mobilise international parliamentary support for these causes, the AIPMC has created networks and affiliations with members or partners of national caucuses and parliamentary groups outside ASEAN, namely in New Zealand, Australia, Japan, Canada, and in Europe. The body also works closely with Burma's international civil-society movement, elected MPs from Myanmar, and members of Myanmar's government-in-exile. Unfortunately all requirements have never been met and human rights situation has never been improved.

The mass anti-government protest in September 2007, sparked by increasing of fuel price was the second test of ASEAN's clout in changing Myanmar

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<sup>6</sup> Martin Petty, "Myanmar bows to pressure", [http://www.atimes.com/atimes/Southeast\\_Asia/GG28Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/GG28Ae01.html)



political behaviour on domestic issues. On September 24 and 25, up to 100,000 people, monks and laymen alike, took to the streets. The junta was forced to impose curfews in Yangon and Mandalay on the night of the 25th, making it one of the largest demonstrations against the military government since the 1988 pro-democracy uprising. Those protests were violently put down by the military, leaving hundreds dead and others injured.

The military's cracking down on peaceful monk-led protests led to the sharpest rebuke of Myanmar and even led to sanctions by the ASEAN governments. The statement of the ASEAN chair stated that ASEAN foreign ministers had a full and frank discussion on the situation in Myanmar at their informal meeting that morning at the UN and agreed for the chair to issue a statement: They were appalled to receive reports of automatic weapons being used and demanded that the Myanmar government immediately desist from the use of violence against demonstrators. They expressed their revulsion to Myanmar Foreign Minister Nyman Win over reports that the demonstrations in Myanmar are being suppressed by violent force and that there has been a number of fatalities. They strongly urged Myanmar to exercise utmost restraint and seek a political solution. They called upon Myanmar to resume its efforts at national reconciliation with all parties concerned, and work towards a peaceful transition to democracy. The ministers called for the release of all political detainees including Aung San Suu Kyi.<sup>7</sup> Facing the ASEAN's statement, the Myanmar junta had no response, but it agreed to receive a UN envoy to discuss the crisis in Myanmar. The UN secretary-general, Ban Ki-moon, sent Ibrahim Gambari, a UN under-secretary-general, on a mission to the region. Besides the statement, ASEAN did not take any significant step to influence Myanmar domestic situation.

The third example of a failed attempt by ASEAN was the way it dealt with the trial of Aung San Suu Kyi who was being charged for breaching the authorities' "Security Law Safeguarding the State Against the Dangers of Subversive Elements" by accommodating the American tourist who had sneaked into her restricted house for three days and speaking to him from May 3 to 5, 2009. This event brought about worldwide attention and ASEAN's concern over Aung San Suu Kyi's political destiny. Under this circumstance, Thailand as the current chair, representing ASEAN, issued a statement to urge the immediate release of the detained Aung San Suu Kyi.

The statement stated that Thailand, as the ASEAN Chair, expressed "grave concern about relating to Daw Aung San Suu Kyi, given her fragile health".

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<sup>7</sup> Statement by ASEAN chair, Singapore's Minister for Foreign Affairs George Yeo, New York, 27 September 2007, <http://www.aseansec.org/20974.htm>

The ASEAN leaders “had called for the immediate release of Daw Aung San Suu Kyi. The Government of the Union of Myanmar, as a responsible member of ASEAN, has the responsibility to protect and promote human rights.” The statement “reaffirms ASEAN’s readiness to contribute constructively to the national reconciliation process and the peaceful transition of democracy in Myanmar”.<sup>8</sup>

ASEAN’s statement expressed “grave concern” but ruled out sanctions in its first official reaction to the trial of Myanmar pro-democracy leader Aung San Suu Kyi. Although this was a moderate ASEAN reaction to the Aung San Suu Kyi’s trial, the Myanmar government reverted with a strong response. The Myanmar government lodged a strong protest over the statement of the alternate chairman of ASEAN over a lawsuit against detained political party leader Aung San Suu Kyi, by stating that this was a form of interference in the country internal affairs. They further stated that the May 19 ASEAN statement “was neither prepared by the grouping’s senior officials meeting nor adopted by its foreign ministers’ meeting, according to the state radio in a night broadcast. The raising of concern over Aung San Suu Kyi’s health status in the statement was not true, the Myanmar statement said, citing the current sound health condition of the political leader under trial. The Thai statement, which Myanmar also said discredit ASEAN, Thailand and Myanmar, and create unsound tradition.”<sup>9</sup>

Besides the May 19 statement, ASEAN did not take any further actions to put further pressure on Myanmar, and even made no response to Myanmar’s protest on the statement.

The three major actions which were an attempt by ASEAN to influence Myanmar’s political behaviour in dealing with opposition leaders, national reconciliation, and democratisation, did not have any substantial affects, and thus, it failed to bring the necessary change required in the domestic situation of Myanmar. Except ASEAN statements, there are no other means to influence or force Myanmar to listen to ASEAN. Wording of ASEAN statements are also very moderate and soft.

The reasons behind why ASEAN has been unable to take a tougher position, and use coercive methods to make Myanmar follow the ASEAN principles like the other members will be analysed in the third part of my paper.

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<sup>8</sup> “ASEAN Chairman’s Statement on Myanmar”, Ministry of Foreign Affairs of Thailand, 19 May 2009, <http://www.aseansec.org/PR-ASEANChairmanStatementonMyanmar.pdf>

<sup>9</sup> *People’s Daily Online*, “Myanmar protests ASEAN alternate chairman statement on Aung San Suu Kyi”, <http://english.people.com.cn/90001/90777/90851/6664539.html>

## II. Failed Efforts by Individual ASEAN Members

After Myanmar joined ASEAN in 1997, the Thai Democrat Party government, which believes in the values of democracy, hoped that Myanmar had made changes in its domestic politics; Thailand and the Philippines put forward the flexible engagement (or constructive engagement) policy towards Myanmar. This policy was opposed by Indonesia, Malaysia, and Singapore since the terms of reference were unclear and it was easily misunderstood as a replacement of the non-interference principle in ASEAN basic political documents, and furthermore, it would have set a precedent for future actions. Since the constructive engagement policy was opposed by so many main members, it has never been endorsed. The constructive engagement policy was put forward by Thailand, although bilateral relations between Myanmar and Thailand were not so friendly during the Democrat government.

When Thaksin Shinawatra came to power in 2001, he had established a strong government by co-opting other political parties into his dominating party Thai Rak Thai. The Thaksin government changed the Democrat Party's constructive engagement policy towards Myanmar by pushing a more accommodative policy. In pushing the policy, the Thai government initiated the "Bangkok Process" to engage Myanmar. To break the evident political deadlock in Myanmar, the Thai leadership proposed the idea of a road map that would see Myanmar commit itself to a timetable for the release of Suu Kyi and the regime's steady move toward democracy. Although its precise substance was not immediately divulged in public, Bangkok appeared to have advocated a five-step plan for Burma's political future. The first stage of the roadmap would focus on the release of Suu Kyi and other NLD leaders. Stage two would concentrate on confidence building between the government and the opposition. The drafting and the adoption of a new constitution would underpin stage three. Stage four would represent a transitional period that would culminate in the final stage: the organisation of free elections.<sup>10</sup> In addition, Thai Foreign Minister Surakiart Sathirathai put forward the idea of organising a multilateral forum in which both "like-minded" regional and extra-regional countries would convene to discuss the situation in Myanmar. Myanmar's Foreign Minister U Win Aung's initial response was cool, but the military regime eventually acceded to the idea to participate in the so-called "Bangkok Process". In December 2003, Thailand

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<sup>10</sup> Jurgen Haacke, "Enhanced Interaction with Myanmar and the Project of a Security Community: Is ASEAN REFINING or Breaking with its Diplomatic and Security Culture?", [http://findarticles.com/p/articles/mi\\_hb6479/is\\_2\\_27/ai\\_n29211995/pg\\_4/](http://findarticles.com/p/articles/mi_hb6479/is_2_27/ai_n29211995/pg_4/)

invited twelve countries, including Myanmar, to participate in multi-parties talks, the so called “Bangkok Process”, to discuss Myanmar issue.

During the talks Myanmar explained its road-map to democracy to participants from Australia, China, India, Indonesia, Japan, Singapore, and Thailand from the Asia-Pacific region, and Austria, Italy, Germany, and France from Europe. Thai Foreign Minister Surakiart cited Myanmar Foreign Minister Win Aung as saying that Myanmar would begin a formal process of national reconciliation, and democratisation, next year, by holding a national assembly, which will engage in the drafting of a constitution. Once the drafting is completed, a referendum will be held to sound out public approval.<sup>11</sup> Myanmar Foreign Minister Mr. Win Aung, in his expression of thanks to the sincerity of the Thai government, said that Thailand and Myanmar had shown mutual trust and understanding, ever since Prime Minister Thaksin took office. Both sides engaged in cooperation that had never happened before, such as the construction of roads linking Thailand with China and India via Myanmar. Mr. Surakiart said everyone admired Thailand’s initiative on the meeting, and agreed that a similar forum should be held next year. The result of this forum was called a breakthrough on the Myanmar issue. Thailand, however, failed to persuade Myanmar to attend a second meeting in April 2004, in Bangkok, with Rangoon stating the need to concentrate on the re-launching of the National Convention as the first step of its democratic roadmap.

After Thaksin was ousted in September 2006, the interim military leadership appreciated that it was not endowed with sufficient moral authority to publicly lecture its counterpart in Myanmar on democratisation, so it did not put pressure on Myanmar. There were Thai officials who supported convening the ASEAN Troika or initiating a multilateral diplomatic dialogue similar to the Six-Party Talks over North Korea’s nuclear programme (to revive in effect the “Bangkok Process”). Yet no action was taken by Thailand. Prime Minister Samak Sundaravej, who came to power after the elections in early 2008, argued that the Western view of Myanmar was too critical. His agenda ostensibly excluded Myanmar’s human rights situation and conflict with ethnic minorities. Instead, economic issues dominated. This focus was maintained when Myanmar’s Prime Minister Thein Sein visited Bangkok at the end of April 2008. Samak Sundaravej afterward described Suu Kyi as a “political tool” of Europe and suggested that efforts to engage Myanmar would be more productive if concern for her was left off the agenda. Today, the Democrat government is facing domestic political

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<sup>11</sup> National New Bureau of Thailand, “Bangkok forum provides a breakthrough on Myanmar issue”, <http://thainews.prd.go.th/en/news.php?id=254612150028>

instability, so it has no energy to pay attention to the Myanmar issue. Overall, as a Myanmar neighbour, Thailand, despite having some leverage, has not wielded any clout in changing Myanmar's domestic political democratisation and reconciliation with oppositions.

The second ASEAN country which has great potential to affect Myanmar is Singapore, being Myanmar's largest trading partner and investor among the ASEAN members. Not only in terms of economic ties, Singapore has also maintained close relations with Myanmar. Over the past few years, for example, Singapore has helped Myanmar develop its human resources with its higher education institutions offering various scholarships to Myanmar students. These institutes include the National University of Singapore (NUS), the Nanyang Technology University (NTU), Nanyang Institute of Management (NIM), the PSB Academy, and the TMC Private College of International.<sup>12</sup> Singapore is deemed to be a reliable friend among ASEAN members and this was evident when the most powerful leader of the Myanmar government, General Thein Sein, came to a Singapore's hospital to receive medical treatment.

The most remarkable example of Singapore attempting to affect Myanmar was in 2007, when Singapore served as chair for ASEAN. After the regime's violent crack-down on pro-democracy protests in September 2007, as ASEAN chair, Singapore declared a statement to appeal to Myanmar to promote political reconciliation and reform. In order to put more pressure on Myanmar, as chair again, Singapore was planning to invite UN special envoy Gambari, who visited Myanmar after the crack-down on the protests, to brief the leaders of the East Asian Summit including those from China and Japan on the results of his two visits to Myanmar. But during heated talks at dinner about the plan among the East Asian Summit members, Myanmar Prime Minister Thein Sein objected to the event along with other Southeast Asian leaders who also opposed on the grounds that it had been taken outside the ASEAN forum. Thein Sein had been expecting to face a grilling over the regime's suppression of the protests. But instead he walked away showing discontent to this arrangement. Thein Sein made it clear that the situation in Myanmar was a domestic state of affairs and that Myanmar was fully capable of handling the situation by itself. Thein Sein's action made Singapore embarrassed. To ease the disputed situation, on one hand Singapore adopted a compromised arrangement that Gambari could brief interested parties, and on the other, Singapore as chairman issued one more ASEAN statement. The statement outlined members' joint expectation that Myanmar work with the UN in order to:

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<sup>12</sup> *China View*, "Myanmar media hail PM' Singapore visit", [http://news.xinhuanet.com/english/2009-03/21/content\\_11047218.htm](http://news.xinhuanet.com/english/2009-03/21/content_11047218.htm)

(1) open up a meaningful dialogue with Daw Aung San Suu Kyi and the National League for Democracy (NLD); (2) make full use of the good offices of the UNSC and Professor Gambari in this process; (3) lift restrictions on Suu Kyi and release all political detainees; (4) work towards a peaceful transition to democracy; and (5) address the economic difficulties faced by the people of Myanmar. ASEAN affirmed its readiness “to play a role whenever Myanmar wants it to do so”, while stating that most “Leaders expressed the view that Myanmar could not go back or stay put”. This statement signalled that ASEAN was suspending collective attempts to directly influence Myanmar’s political process.<sup>13</sup>

In May 2009, when Aung San Suu Kyi was tried, Singapore did not take any other action except stating that it reiterated the call for the release of Daw Aung San Suu Kyi from detention. “We are also concerned about recent reports on her poor health, and that the arrest may exacerbate her condition,” Singapore’s Foreign Ministry said. “Singapore is dismayed by this latest development. This is a setback for the national reconciliation process.”<sup>14</sup> Actually Singapore which is expected to play some role in influencing Myanmar has never wielded its clout.

Malaysia actively advocated that ASEAN should contribute to political reform in Myanmar through “enhanced interaction” and supported ASEAN to send envoys to visit Myanmar. Malaysian Prime Minister Abdullah told reporters that the envisaged visit should not be misconstrued by Myanmar as interference in its internal affairs, but instead it should be seen as one having “good intentions”. “To get to know your neighbour, to go to your friend’s house, I think it is not something objectionable, so long as you don’t interfere with the children... We have a lot of pressure. How can we speak on behalf of Myanmar if we are not certain what is happening in Myanmar?”<sup>15</sup> Malaysian lawmakers demonstrated a much tougher attitude, saying that Myanmar should forfeit its turn as chair of the ten-member Association of South East Asian Nations in 2006, unless it took significant steps towards democracy.

In 2005, when serving as the ASEAN chair, Malaysia Minister Datuk Seri Syed Hamid Albar was allowed as ASEAN’s envoy to visit Myanmar to examine the situation regarding political reconciliation, but he was not allowed to see Aung San Suu Kyi. He felt his mission had failed. When he was in Myanmar he was told that Myanmar had insisted in implementing their roadmap to

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<sup>13</sup> “13th ASEAN Summit Chairman’s Statement on Myanmar”, [http://app.mfa.gov.sg/pr/read\\_content.asp?View,8879](http://app.mfa.gov.sg/pr/read_content.asp?View,8879)

<sup>14</sup> “RP breaks silence over Aung San Suu Kyi case calls for her release”, <http://www.tribune.net.ph/headlines/20090518hed5.html>

<sup>15</sup> BNET, “2 ND LD: Malaysia urges Myanmar let ASEAN gauge reform progress” [http://findarticles.com/p/articles/mi\\_m0WDQ/is\\_2005\\_Dec\\_12/ai\\_n15957206/](http://findarticles.com/p/articles/mi_m0WDQ/is_2005_Dec_12/ai_n15957206/)

democracy, and no other country should pressure them. Syed Hamid said, “They don’t like pressure from outside but they don’t mind suggestions,” he added. “There is some feeling of disillusion and frustration over the Myanmar issue. Definitely Myanmar is bothering us, but we do not want Myanmar to become our setback so we will go on as usual...Our consensus is that change must come from Myanmar itself.”<sup>16</sup> Obviously Malaysia has never demonstrated its influence to Myanmar’s political changes.

The Philippines is the member of ASEAN which has criticised Myanmar most severely. In 2005, Manila declared a statement and put forward four demands: (1) the full implementation of the roadmap; (2) the safe and early release of Aung San Suu Kyi; (3) the full participation of the NLD in political life, especially in drafting the constitution; and (4) the return of the UN special envoy (then Razali Ismail).<sup>17</sup> The Philippines fully supported the good offices of the UN secretary-general and the involvement of the UN Security Council in late 2005 in order to bring about national reconciliation in Myanmar. At ASEAN’s January 2007 Cebu Summit, the Philippines president told then Prime Minister Soe Win that Aung San Suu Kyi’s house arrest must not be extended. At the ASEAN Summit in November, she insisted that the NLD leader “must be released now”, and pledged to continue working for her release to pave the way for democratic reforms. The president even suggested that the Philippines’s ratification of the ASEAN Charter and political progress in Myanmar were linked, particularly as regards to Aung San Suu Kyi’s release. In spite of the strong criticism by the Philippines on Myanmar, it was unable to influence to Myanmar in any way.

Indonesia has never openly criticised Myanmar’s human rights issue, only put forward suggestion for democratisation. Indonesian President Susilo Bambang Yudhoyono has even called on Myanmar to share its democratisation experience. In November 2007, the former Indonesian foreign minister Ali Alatas reiterated that Myanmar’s armed forces should play a power-sharing role in the transition and gradually disengage from national politics, as happened in Indonesia.<sup>18</sup> In response, Myanmar’s February 2008 announcement regarding the referendum and elections made it clear that Indonesia’s advice was not to be followed. Foreign Minister Hassan Wirajuda appealed that the draft constitution should be revised to accommodate the interests of ethnic groups and the

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<sup>16</sup> Mergawati Zulfakar, “ASEAN gives up Myanmar”, <http://thestar.com.my/news/story.asp?file=/2006/4/21/nation/14023462&sec=nation>

<sup>17</sup> Statement by Alberto Romulo, “On the Issue of Myanmar”, 21 November 2005, <http://www.dfa.gov.ph/archive/speech/romulo/myanma.htm>

<sup>18</sup> Quoted in Haslinda Amin and Arijit Ghosh, “Sudarsono says elections in Myanmar wouldn’t reduce army’s role”, *Bloomberg*, 15 November 2007.

Myanmar's political opposition, including Suu Kyi. However these suggestions were not accepted.

### **III. Analysis of Failures of ASEAN**

In this section, the reasons of failures of ASEAN as a whole and its individual members which tried to influence Myanmar would be analysed from three aspects.

#### **1. ASEAN Charter isn't Able to Change Myanmar**

The principles of non-interference, consultation, and consensus in decision-making, which have been the most important basic principles of ASEAN, have served the grouping so effectively that the bloc has existed for over four decades without splitting and disbanding. But based on the principle of non-interference, ASEAN is unlikely to become an efficient and strong organisation.

Today, facing deepening globalisation, other regional groupings' and powers' competition, ASEAN as a small countries' group needs to strengthen itself by increasing its binding force to deal with negative impacts of globalisation, regional problems like cross-border issues, and even should put sanctions on countries such as Myanmar over its poor human rights record that has made ASEAN face great pressure from its dialogue partners of the West.

Against this background, ASEAN started to draft the ASEAN Charter in the 2005 ASEAN Summit, but then during the process of drafting and discussing the charter draft there were hot debates. In order to react to the new situation ASEAN needed to add new principles, but the new principles became the focus of these debates. One of the controversial points was how to punish a member which breached objectives, principles, and commitments as contained in ASEAN declarations, agreements, and treaties as well as the norms and values adhered to by ASEAN. The draft charter presented by EPG (eminent people group) recommended that the ASEAN Council may consider taking any measure, including the suspension of rights and privileges, upon the proposal of a member state concerned upon the recommendation of the ASEAN foreign ministers, for any serious breach by any member state of principles. The draft proposal even recommends that the ASEAN council has the right to expulse the concerned member state's membership. Through ASEAN leaders' discussions, these punitive measures, namely the suspension of rights and privileges and expulsion of membership, were cancelled from the final version of the Charter and what should be done with errant members was left up to a decision by the ASEAN leaders. The ASEAN Charter still stimulates non-interference, consultation, and consensus as the most important principles. This implied that if some member states breached the ASEAN principles, they will not have to face punishment and sanction.



The other notable focus point of the Charter is “to strengthen democracy, enhance good governance and the rule of law, and to promote and protect human rights and fundamental freedom”, especially promising to set up a human rights body. But so far, democracy, human right, and fundamental freedom are still empty principles, and the human rights body has not been established yet. It is still doubted that the body can play an important role. It is obvious that the new body will have no power to impose sanctions or expulsion in cases of serious breaches by members because a Myanmar diplomat, Thaung Tun, said that his country wants the human rights body to become a “consultative mechanism” and that it should not “shame and blame” any ASEAN nation.<sup>19</sup>

Democracy and human rights, as objectives and principles, are stimulated in the Charter, but principle is one thing, and implementation of it is another. Good principles are not meaningful and worthy at all without implementation. Equally, implementation is impossible without punitive mechanisms. One of the shortcomings of the Charter is a lack of binding force, supervision, and punitive mechanisms. As the former president of the Philippines Ramos, one of the members of the EPG, said, “ASEAN’s problem is not one of lack of vision, ideas or action plans, but of ensuring compliance and effective implementation.” He deemed that the ASEAN Council “could suspend and expel erring members.”<sup>20</sup> Some people expressed disappointment by stating that the “the Charter is a disappointment because it codifies existing norms and maintains its historical identity...ASEAN did less than it could have and, in some areas, it has even gone backwards.”<sup>21</sup> The ASEAN Charter could not cure Myanmar’s ill, and in return, the Myanmar “military regime has reduced the credibility of the Charter to toilet paper.”<sup>22</sup>

## 2. ASEAN Members’ Differences in Policies towards Myanmar Junta

In principle, all nine other ASEAN members supported the Myanmar military regime to realise its political democratic transition, establish a power-shared government, release Aung San Suu Kyi, and achieve national reconciliation. But

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<sup>19</sup> Jim Gomez, “Philippines President rebukes Myanmar”, <http://www.bookrags.com/news/philippine-president-rebukes-moc/>

<sup>20</sup> BNET, “LEAD: ASEAN charter outline takes aim at noninterference policy”, [http://findarticles.com/p/articles/mi\\_m0WDQ/is\\_2006\\_Dec\\_11/ai\\_n16884715/](http://findarticles.com/p/articles/mi_m0WDQ/is_2006_Dec_11/ai_n16884715/)

<sup>21</sup> Barry Desker, “Where the ASEAN Charter comes up short”, [http://www.ips.org.sg/pub/ST\\_Barry%20Desker\\_Where%20the%20Asean%20Charter%20comes%20up%20short\\_180708.pdf](http://www.ips.org.sg/pub/ST_Barry%20Desker_Where%20the%20Asean%20Charter%20comes%20up%20short_180708.pdf)

<sup>22</sup> Salai Pi Pi, “Will ASEAN’s Charter cure Burma’s ill?”

<http://www.mizzima.com/edop/anslysis/1472-will-aseans-charter-cure-burmas-ills.html>

in specific positions there are many differences among them. All nine member states can be divided into a few categories by the degree of toughness.

The first category is the toughest to Myanmar. The Philippines and Malaysia belong to this category. They always express their outrage at the lack of progress in Myanmar's democratic roadmap and support approaches to impose more pressure on Myanmar's military government. In these two countries there are a great number of parliamentary members who firmly advocate sanctions against Myanmar. In the Malaysian parliament, a number of lawmakers proposed to expel Myanmar from ASEAN. The prime minister actively pushed for a "enhanced interaction" policy. In 2003, the former prime minister Mahathir even warned of Myanmar's expulsion from ASEAN. The Philippines is the most vocal critic of Myanmar among the nine other members of ASEAN. The Philippines has warned that its congress would be hard-pressed to do so, unless Myanmar upholds the Charter's principles of democracy and human rights.

The Philippines's tough position can be understood easily. Democratic values and human rights have been more popular in the Philippines than in other member nations on one hand, and on the other, Arroyo's government has been so weak that she has to be dependent on the parliament. As for the Malaysian position, Malaysia is much more concerned about the image of ASEAN. Malaysian Foreign Minister Syed Hamid Albar said, "[Myanmar] has become a hanging issue. That's what the other countries are talking about ASEAN being held hostage to the Myanmar issue."<sup>23</sup> Furthermore, Malaysia is a more active promoter for the ASEAN Charter, and it does not want to see that the Charter shamed by Myanmar which will lead it to be seen as a piece of "toilet paper".

The second category is the moderate critics, composing of Thailand, Singapore, and Indonesia. They have expressed "concern" or "grave concern" regarding events that have happened in Myanmar, which has led to discontentment. They are usually reluctant to impose pressure on Myanmar, and only present some suggestions for Myanmar. That these three countries share a similar position mainly stems from the same consideration that Myanmar is an important economic cooperation partner for them. As Myanmar is still an underdeveloped country, it has great mutual-complement in economic cooperation with Thailand, and especially Singapore. There are rich natural resources and large potential markets in Myanmar.

Sharing long borders with Myanmar, Thailand has had close economic ties with Myanmar. Thailand is playing a key role in the economic development in

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<sup>23</sup> BNET, "Myanmar holding ASEAN hostage with snail-pace reform, Malaysia says", [http://findarticles.com/p/articles/mi\\_m0WDQ/is\\_2006\\_April\\_24/ai\\_n26874420/](http://findarticles.com/p/articles/mi_m0WDQ/is_2006_April_24/ai_n26874420/)

Myanmar as it has become the biggest foreign investor and trading partner of the country, according to local reports. With huge investments pouring into Myanmar's electric power sector, Thailand's investment has accounted for USD7.3 billion or over 53 per cent of Myanmar's total foreign investment received since late 1988.<sup>24</sup> Actually every Thai cabinet is reluctant to make Myanmar have tremendous political changes, in order to avoid a mass political turmoil that will cause a great number of refugees to flow into Thai territories.

Singapore is the second largest cooperation partner of Myanmar in ASEAN. According to Myanmar official statistics, the two countries' bilateral trade amounted to over USD2.009 billion in 2008, ranking the third in Myanmar's trade partners. Of the total bilateral trade, Myanmar's export to Singapore took up USD896.86 million, while its import from that country amounted up to USD1.112 billion. Since Myanmar opened to foreign investment in late 1988, Singapore's investment in Myanmar has so far reached over USD1.5 billion standing as the third largest foreign investor after Thailand and the United Kingdom.<sup>25</sup>

Indonesia is Myanmar's fourth largest trading partner among members of the Association of Southeast Asian Nations after Thailand, Singapore and Malaysia, having a bilateral trade of USD235.09 million with Myanmar in 2008. Of the total, Indonesia's exports to Myanmar amounted to USD209.03 million, while its imports from Myanmar were valued at USD26.06 million, according to Myanmar's official statistics. Meanwhile, Indonesia's investment in Myanmar has so far reached over USD241 million since late 1988, when Myanmar opened to such investment, ranking as ninth among Myanmar's foreign investors.<sup>26</sup> But so far, the two countries are trading through Malaysia, carrying out banking transaction through Singapore, and connecting without direct air link. Both Myanmar and Indonesia are seeking a direct trade link, direct banking transaction, and direct Yangon-Jakarta air link to boost their bilateral economic cooperation.

Economic interests drive these countries to adopt moderate and soft position towards Myanmar.

The third category is the newly joined members, namely Vietnam, Cambodia, and Laos, who are usually not active players in ASEAN. They have

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<sup>24</sup> *People's Daily Online*, "Roundup: Thai investment, trade play key role in Myanmar economic development", [http://english.peopledaily.com.cn/200706/03/eng20070603\\_380422.html](http://english.peopledaily.com.cn/200706/03/eng20070603_380422.html)

<sup>25</sup> *CRIEnglish.com*, "Former Singapore PM arrives in Myanmar on goodwill visit", <http://english.cri.cn/6966/2009/06/08/2001s491430.htm>

<sup>26</sup> *China View*, "Myanmar, Indonesia seek direct trade likes", [http://news.xinhuanet.com/english/2009-03/29/content\\_11093599.htm](http://news.xinhuanet.com/english/2009-03/29/content_11093599.htm)

never openly rebuked and criticised Myanmar on its human rights records; instead they have expressed sympathy for Myanmar. The most remarkable example reflecting this sympathy is the different attitudes among the ASEAN members towards Singapore inviting the UN special envoy to Myanmar to brief the East Asian Summit. Initially to impose some pressure on Myanmar, Singapore, as ASEAN chair, invited the special envoy Ibrahim Gambari to deliver a briefing on Myanmar's situation to the Summit, but Singapore's plan was rejected by Vietnam, Cambodia, and Laos. Another interesting example is the different positions on a draft resolution on sanctions against Myanmar in a UN General Assembly. When the sanctions resolution was voted in October 2007, ASEAN members split into two groups. One group was the supporters for the resolution including the six original ASEAN members (the Philippines, Indonesia, Singapore, Malaysia, Thailand, and Brunei), while the other group comprised Myanmar, Vietnam, and Laos which voted against the resolution under consideration, with Cambodia being absent.

It is easy to understand why these newly joined ASEAN members are siding by Myanmar. First, they firmly believe and follow the non-interference policy. They did not want to see that interference in Myanmar was set up as a dislikeable precedent; thereby someday their own internal affairs would be interfered by ASEAN. Second, although Vietnam, Cambodia, and Laos are not ruled by military governments, basically speaking it is widely deemed that these four countries share the similar authoritarian system which is always accused of lacking democracy and human rights. Supporting sanctions and criticism against Myanmar may imply that they will someday face sanctions and criticism from other ASEAN members.

### **3. In Fear of Myanmar Leaving ASEAN**

ASEAN is reluctant to make severe reactions to Myanmar's human rights violence because there are some regional political and strategic reasons besides the economic and domestic considerations of some ASEAN members. To achieve the vision of a great ASEAN, including all ten nations in Southeast Asia, is their grand political objective with which they could reach two goals: (1) to strengthen its own bloc composing of small and weak countries and enhance their leverage to dialogue with major powers; (2) to ensure regional security and stability by containing all potential conflict elements under control and influence by ASEAN, instead of large powers beyond Southeast Asia. This grand ASEAN objective had finally been realised in April 1999, when Cambodia joined the grouping. Up till now, all ASEAN members have been cherishing this achievement. Therefore the ASEAN members do not want to see this achievement being destroyed by treating Myanmar without care.

Actually some ASEAN leaders are in fear of Myanmar withdrawing from the bloc. Its withdrawing will likely bring about one of two serious results: (1) given the fact that if Myanmar is not able to exist independently, Myanmar then would fall into India's or China's arms and in this case a balance of power between the big powers will collapsed, thereby the regional stability will be threatened; (2) the withdrawal from the group will probably lead to competition between China and India, which can also threaten regional stability.

Singapore is concerned that China and India will engage in a destabilising competitive struggle for influence in the country leading to adverse effects for the ASEAN region. Singapore's foreign minister, George Yeo, said that ASEAN would like Myanmar to remain a part of ASEAN. He argued that ostracising Myanmar could result in it being "balkanized" by the big powers in the region.<sup>27</sup> Therefore, ASEAN does not want to see Myanmar to leave the group, as the Malaysian foreign minister said, "We do not want any ASEAN member to decide that it will leave ASEAN, that is not a solution. We do not want Myanmar isolating itself."<sup>28</sup> This is why ASEAN is reluctant to criticise and impose pressure on Myanmar as strongly as the West urges.

## Conclusion

Regarding political democratic process and human rights issues in Myanmar, ASEAN has always been urged to take much tougher actions against the Myanmar junta, but ASEAN's influence on Myanmar has been limited. As proven in the past, all attempts by ASEAN as a whole as well as by individual members have failed without any exception. Major reasons for the failures are due to the organisation itself and its members as well. First of all, although ASEAN attempted to be based on legality and binding force by setting down the Charter, a member of ASEAN is not able to be punished or sanctioned because the Charter has very limited binding force. The Charter has no punitive mechanisms and traditional principles of decision making, including non-interference, consultation, and consensus, still need to be followed. Second, all members have different attitudes towards Myanmar due to their different interests in relations with Myanmar, so that ASEAN hardly takes any consistent action to impose influence on Myanmar. Finally, ASEAN leaders are worried that Myanmar will likely leave the bloc if it imposes too much pressure on it, in this

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<sup>27</sup> *My Sinchew.com*, "Forty years of ASEAN—what to do with Myanmar", <http://www.mysinthew.com/node/3194>

<sup>28</sup> *The Star Online*, "Hmid: Be firm on Myanmar", <http://thestar.com.my/news/story.asp?file=/2006/4/18/nation/13984708&sec=nation>

case Myanmar will probably become a soft target for major powers beyond the region which can threaten security and stability in Southeast Asia.

# **Dealing with Burma's Gordian Knot: Thailand, ASEAN, China, and the Burmese Conundrum**

*Pavin Chachavalpongpun<sup>1</sup>*

Burma has remained firmly under the global spotlight because of its worsening domestic political situation. In the past years, this Southeast Asian nation has not only failed to demonstrate its seriousness in pursuing political reforms, but also continued to challenge the international order and has managed to withstand mounting economic sanctions pressed upon its regime by many Western governments. From the brutal crackdown on the pro-democracy protesters in September 2007, to the trial of Aung San Suu Kyi—leader of the opposition National League for Democracy (NLD), in May 2009, on bizarre charges of violating house arrest terms because she permitted American John Yettaw entry into her residence—to the recent armed clashes with the Kokang army, the Burmese junta proved once again that it has remained unconstrained in the operation of its internal affairs. Thailand and China, Burma's two immediate neighbours, are becoming increasingly anxious about the junta's newfound confidence. Both must be mindful of blackmail since they have been, largely, relying on Burma's abundant natural resources. In fact, since the Democrat Party, under Abhisit Vejjajiva, formed a government in December 2008, Thailand has reinvented its policy toward Burma, which is apparently more assertive and less commercialised as opposed to that which was seen under the Thaksin Shinawatra administration (2001–2006). Prime Minister Abhisit has resurrected the Thai policy of “Flexible Engagement” which legitimised Thailand's right to express concerns regarding the internal situation in Burma, especially if it shows the potential to yield negative impacts on his country. The revival of the flexible engagement policy has arrived at the critical juncture where Thailand has taken up the chair of the Association of Southeast Asian Nations (ASEAN). On a few occasions, ASEAN has roundly criticised the Burmese regime for violation of human rights against its own people. Endorsing more open criticism has

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<sup>1</sup> Dr. Pavin Chachavalpongpun, Visiting Research Fellow and Lead Researcher for Political and Strategic Affairs, ASEAN Studies Centre, Institute of Southeast Asian Studies, Singapore.

gradually become ASEAN's new norm and practice. Meanwhile, China has tilted more toward ASEAN while seeming to embrace the grouping's tougher stance *vis-à-vis* the military junta. However, the Chinese leadership has been walking a careful path, not to be seen as overwhelmingly piggybacking Burma and upsetting its leaders at the same time.<sup>2</sup> Beijing has sought to balance its interests both in Burma and Thailand, as well as in ASEAN, simply because the process of China's rise has required a peaceful environment in its neighbouring countries.

This essay argues that both Thailand and China, together with ASEAN as one regional entity, have been conditioned to work closely in order to reduce the level of political manipulation from the hand of the Burmese junta, and to use their political resources and influence to bring about changes in Burma. In doing so, Thailand, China, and ASEAN have been readjusting their strategic thinking to be able to slice Burma's Gordian Knot. It has undoubtedly been an uphill task, especially for Thailand where a number of obstacles have so far prevented the kingdom from formulating an independent policy toward Burma. Security, political, and economic factors all play a vital role in Thai-Burmese relations. They reveal Thailand's weaknesses in its interaction with the Burmese military regime. On top of this, Burma has incessantly schemed to drive a wedge in Thai-Sino cooperation on issues pertaining to the political survival of the military junta. The intricate relationship among these players, with ASEAN in the backdrop, has the potential to determine Burma's future political course, and more essentially, to shape Southeast Asian politics in an era of regional uncertainties.

## Thailand and Burma: Erratic Relations

Thai-Burmese relations have for the most part been erratic. The distortion of history and the excessive use of nationalism have caused great damage to their bilateral relationship. They have sustained a lingering mutual mistrust, which has been continually simmering below the surface. From 1997–2001, the face of Burma as a historical enemy and modern-day source of cross-border troubles, including the narcotic trade and the inflows of refugees, was painted mainly because the Democrat-led government of Chuan Leekpai adopted a pro-democracy policy toward Burma in order to satisfy its party's ideologues and certain Western powers.<sup>3</sup> As a result, bilateral relations were severely strained.

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<sup>2</sup> Yeni, "China Must Get Tough on Burma Too", *The Irrawaddy*, 15 June 2009.

<sup>3</sup> Kavi Chongkittavorn, "Thai-Burmese Relations", *Challenges to Democratisation in Burma: Perspective of Multilateral and Bilateral Responses*, (Stockholm: International Institute for Democracy and Electoral Assistance, 2001), pp. 126–127. All see, Pavin Chachavalpongpun, *A Plastic Nation: The Curse of Thainess in Thai-Burmese Relations*, (Lanham: University Press of America: 2005).



Retaliation became the name of the game. Thailand accused Burma of exploiting its ethnic minorities to create instability along their common border. The Burmese junta hit back by grossly insulting the Thai royal family on numerous occasions.<sup>4</sup> Despite Thailand's seemingly anti-Burmese regime policy, geopolitical and economic factors more often forced Thai leaders to compromise its position *vis-à-vis* Burma. The fact that Thailand shares a 2,400-kilometre border with a lucrative border trade taking place has seemed to act as a compelling factor in this bilateral relationship. Thai-Burmese relations only returned to a perceived normalcy when Thaksin Shinawatra assumed the premiership in 2001. Under the Thaksin government, Thailand formulated a spongy policy toward Burma. The *raison d'être* was clear: Thaksin had a variety of private businesses in Burma; and therefore, Thai foreign policy was held hostage by his corporate concerns. Aside from his personal interests, Thaksin aspired to transform Burma from foe to friend, to fit in with his grandiose initiative of recreating the *suvarnabhumi*, or "golden land", where Thailand exercised its political and economic influence over its immediate neighbours on mainland Southeast Asia.<sup>5</sup>

Yet, Thaksin's policy was highly troublesome. His business deals with the Burmese junta, such as through the profitable IPStar telecommunication project, completely debunked his ambitious concept of *suvarnabhumi*. Burma, without hesitancy, took advantage and played the Thai elites' vested interests as a bargaining chip against Thailand's overall Burmese policy. Recently, the legitimacy crisis in Thailand has also provided Burma with more room for manoeuvre in its dealing with leaders in Bangkok. Burma's superior position has remained firm even after Thaksin was ousted from power. For example, in the aftermath of the Thai coup of September 2006, the military government of General Surayud Chulanont chose not to pass judgment on its Burmese counterpart in the event of the violent attack against street protesters in Rangoon. Surayud said, "I am not an elected Prime Minister. I cannot preach too much about democracy if our government is not an elected one. We must not forget who we are and where we stand before thinking of pressuring the Burmese junta."<sup>6</sup> Subsequent pro-Thaksin governments continued to construct a foreign policy that was exceedingly elastic according to the preferences of the elites in Naypyidaw, apparently to protect the interests of the Shinawatra family. Prime Minister Samak Sundaravej (January–September 2008), a self-proclaimed proxy of Thaksin, even approved the prolonged house arrest of Suu Kyi. He remarked,

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<sup>4</sup> "Thai-Burma Relations: Back on Track?", *The Irrawaddy*, vol. 9, no. 5, June 2001.

<sup>5</sup> Pavin Chachavalpongpun, *Reinventing Thailand: Thaksin Shinawatra and His Foreign Policy*, (Singapore: Institute of Southeast Asian Studies, forthcoming), Chapter Four.

<sup>6</sup> Chin Kin Wah, "Introduction: ASEAN—Facing the Fifth Decade", *Contemporary Southeast Asia: A Journal of International & Strategic Affairs*, vol. 29, issue 3, December 2007, p. 401.

“They are not releasing her, but they will not interfere with her. They will put her on the shelf and not bother with her, which is unacceptable to foreigners. We think it is okay if she is put on the shelf, but others admire her because of it.”<sup>7</sup> His foreign minister, Noppadon Pattama, Thaksin’s former personal lawyer, reconfirmed Thailand’s pro-Burma policy. He said in February 2008 that what happened in Burma was its “internal affair”. “We are not a headmaster who can tell the Burmese leaders what they should do. We have to respect their sovereignty,” said Noppadon.<sup>8</sup>

This essay delves more deeply into the Thai policy toward Burma under the leadership of Prime Minister Abhisit. His Democrat Party has largely suffered a legitimacy problem since it was never given the majority vote but was only able to form a coalition government following the dissolution of the Thaksin-backed People’s Power Party. To cloak his government’s vulnerability, Abhisit constructed his own legitimacy by appearing to advocate the democratic principle both in his domestic and foreign policies. His strategy has served Thailand well as it is the current chair of the ASEAN Standing Committee. The Democrat Party has been known for its antagonistic position toward the Burmese military regime. Moreover, Surin Pitsuwan, foreign minister under the Chuan government who initiated the flexible engagement policy in 1999, now heads the ASEAN Secretariat. Regional observers have already anticipated a tougher Burmese policy from Thailand. The Suu Kyi’s trial meant the Abhisit government faced one of the greatest tests since Thailand took chairmanship of ASEAN in July 2008.

As the trial of Suu Kyi was going ahead, Thailand, on behalf of ASEAN, issued a statement on 19 May 2009 voicing “grave concern” over the unfolding political situation in Burma:

Thailand, as the ASEAN Chair, expresses grave concern about recent developments relating to Daw Aung San Suu Kyi, given her fragile health. In this connection, the Government of the Union of Myanmar is reminded that the ASEAN Leaders had called for the immediate release of Daw Aung San Suu Kyi. Furthermore, the Government of the Union of Myanmar, as a responsible member of ASEAN, has the responsibility to protect and promote human rights. It is therefore called upon to provide timely and adequate medical care to Daw Aung San Suu Kyi as well as to accord her humane treatment with dignity. With the eyes of the international community on Myanmar at present, the honour and the credibility of the Government of the Union of Myanmar are at

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<sup>7</sup> Pavin Chachavalpongpun, “Economic Trumps Politics: Thai-Myanmar Relations”, *Straits Times*, 5 May 2008.

<sup>8</sup> Wai Moe, “Will Thailand Create a Friendly Burma Policy?”, *The Irrawaddy*, 7 February 2008.

stake. Thailand, as the ASEAN Chair, reaffirms ASEAN's readiness to contribute constructively to the national reconciliation process and the peaceful transition of democracy in Myanmar.<sup>9</sup>

Thailand, together with other ASEAN members, complained that the Burmese generals had persistently ignored ASEAN's previous calls to set Suu Kyi free. Singapore, for example, expressed its dismay at the arrest of Suu Kyi, calling it a "setback" for Burma's national reconciliation process.<sup>10</sup> Philippine foreign affairs secretary Alberto Romulo similarly said that his government was "deeply troubled and outraged" over "trumped-up charges" against the NLD leader.<sup>11</sup> In the meantime, the United Nations led international condemnation against the Burmese junta and demanded Suu Kyi's immediate and unconditional release. US secretary of state Hillary Clinton declared that Suu Kyi had been charged with a "baseless" crime.<sup>12</sup> More than sixty pro-democracy protesters gathered outside the Burmese Embassy in Bangkok on 19 May 2009 denouncing the "ridiculous" charges against the democratic icon. Although ASEAN was initially slated for having been silent on the issue for almost a week, the release of its statement was considered a rare move; the regional organisation normally preferring not to be seen as intervening in the affairs of fellow members. Predictably, the ASEAN statement was rejected bluntly by the Burmese government. In his first public defence of the trial, Burmese foreign minister Nyan Win accused the international community of meddling in his country's affairs. He announced at the meeting of Southeast Asian and European foreign ministers in Phnom Penh on 28 May 2009, "It is not political. It is not a human rights issue, so we do not accept the pressure and interference from abroad."<sup>13</sup>

Nevertheless, the real targets were Thailand and ASEAN. Nyan Win, at the same meeting, took a swipe at ASEAN for "deviating" from its non-interference policy. He said, "Some countries in our region and others have strong interest in the case of John Yettaw and Aung San Suu Kyi. But their interest in the case has been found over-proportionate, overlooking the principles of non-interference in internal affairs and should not have happened."<sup>14</sup> Major-General Aye Myint, Burmese deputy minister of defence, covertly reproached Thailand for intervening in Burmese politics. He pronounced at the Shangri-La Dialogue

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<sup>9</sup> See <<http://www.aseansec.org/PR-ASEANChairmanStatementonMyanmar.pdf>> (accessed on 25 June 2009).

<sup>10</sup> MFA Spokesman's Statement Reports of Daw Aung San Suu Kyi Being Charged, Ministry of Foreign Affairs of Singapore, 15 May 2009 <<http://www.mfa.gov.sg/>> (accessed on 25 June 2009).

<sup>11</sup> "Suu Kyi to Declare Her Innocence", *Straits Times*, 18 May 2009.

<sup>12</sup> "U.N. Demands Suu Kyi's Immediate Release", *Straits Times*, 16 May 2009.

<sup>13</sup> "Suu Kyi Trial an Internal Matter", *Straits Times*, 29 May 2009.

<sup>14</sup> *Ibid.*

in Singapore on 31 May 2009, “If any country interferes in the internal affairs of another country, that particular act may possibly affect the mutual understanding and friendly relationship between countries.”<sup>15</sup> Inside Burma, the state-run *New Light of Myanmar* angrily responded to the comment of Thailand and ASEAN on the ongoing trial. It said, “The statement issued by the alternate ASEAN chair—which is not in conformity with ASEAN practice, incorrect in facts and interfering in the internal affairs of Myanmar—is strongly rejected by Myanmar. It is sadly noted that the alternate ASEAN chair failed to preserve the dignity of ASEAN, the dignity of Myanmar and the dignity of Thailand.”<sup>16</sup> In reply, Thai foreign minister Kasit Piromya clarified his country’s position and that of ASEAN by reiterating, “It [the statement] did not interfere in Burma’s internal affairs. Like the situation in Thailand, many countries expressed concern over the street protests as well as the conflict in the south because it affected stability in the region and progress in ASEAN. Thailand did not want to see any obstacles on the move towards the reconciliation process in Burma.”<sup>17</sup>

## Dancing to the Burmese Tune

The war of words between Thailand and Burma was finally translated into a real war at their common border. Burma has long adopted an offensive military plan *vis-à-vis* Thailand in response to the buffer zone created by the Thai army. Today, the Burmese regime continues to implement this offensive strategy to control border relations with Thailand, sometimes creating instability and extreme disorder at the border zone to confuse Thai policy-makers and to remind them of Burma’s prevailing bargaining power. During the first week of June 2009, the Tatmadaw, or the Burmese army, revived its offensive strategy by launching a series of attacks against the Karen National Union (KNU) along the Thai-Burmese border. The KNU territory has long been treated as a buffer space for Thailand. The armed attacks not only caused a number of deaths and casualties, but they psychologically also induced tremendous concern among Thai security forces about the influx of refugees and the interruption of border trade. It was reported that the onslaughts against the KNU resulted in at least 3,000 people fleeing to Thailand, home already to more than 100,000 displaced persons from Burma. As Thailand renewed its hardline stance against the Burmese regime, the volatile Thai-Burmese border immediately turned into a conflict zone. The Abhisit government, with its more rigid Burmese policy, not only had to deal

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<sup>15</sup> “Myanmar Rejects Calls for Aung San Suu Kyi’s Release”, *Straits Times*, 1 June 2009.

<sup>16</sup> *The New Light of Myanmar*, 24 May 2009.

<sup>17</sup> “Kasit Rejects Junta Charge”, *Bangkok Post*, 28 May 2009.

with insecurity at the borderland, but also the additional pressure from the Thai-Burmese trade and economic sector. The Thai vulnerability opened doors for competing political factions, within the Thai domestic realm, to exploit the ongoing conflict between Thailand and Burma. At this critical juncture of Thai politics, the opposition has been trying every trick and ploy to bring down the government. Conducting what is perceived as a flawed diplomacy would put the Abhisit government at great risk.<sup>18</sup>

Ostensibly, the Burmese junta underestimated the outpour of international outrage over its decision to press charges against Suu Kyi. It therefore sought to de-internationalise the Suu Kyi case, to alienate ASEAN, and at the same time, to explain away its domestic situation in the context of Thai-Burmese relations. To the Burmese junta, the Suu Kyi case was strictly internal. This explained why Burma's state-sponsored media heavily criticised Thailand both as the ASEAN chair and as its immediate neighbour for violating the non-interference principle. The nature of Thai-Burmese relations permitted the Burmese junta to take advantage of Thailand's tenuous position. Thailand's call for the release of Suu Kyi and its earlier attempt to push for political reforms in Burma appeared to be futile for a number of reasons. Uppermost of these, Thailand had depended too much on Burma's natural resources. At present, Thailand is the single largest importer of Burmese gas which amounts to about half of its overall gas needs. It imports about 9 billion standard cubic feet a day and wishes to buy an additional 100 million cubic feet of Burmese gas per day to satisfy rising domestic demand. Upsetting the Burmese junta could seriously disrupt energy supplies. One Thai diplomat even suggested that if only Burma switched off the gas pipeline, the whole of Bangkok would go dark.<sup>19</sup> Thailand could not join any economic sanctions against Burma since they would pose a direct challenge to its own economy. Supalak Ganjanakhundee noted that the jewellery industry, for example, suffered from the United States's Tom Lantos Block Burmese Jade Act of 2008, since it stifled imports from any country gems and jewellery containing Burmese raw material. Rubies and other Burmese gemstones account for about 20 per cent of raw materials for the Thai jewellery industry.<sup>20</sup>

The Abhisit government has been particularly vulnerable because it has no record of civilian supremacy, not to mention democracy and reconciliation.

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<sup>18</sup> Noppadon Pattama, now working in the opposition, made comments against the Abhisit government and in favour of the Burmese junta. He cautioned that conflicts with Burma would generate a tremendously negative impact on bilateral economic relationship. See, Kavi Chongkittavorn, "The Burmese Factor in Thai-Sino Relations", *The Nation*, 8 June 2009.

<sup>19</sup> In a conversation with a Thai diplomat, Ministry of Foreign Affairs, 26 June 2008.

<sup>20</sup> Supalak Ganjanakhundee, "Reasons why Thailand Cannot Push Burma too Far", *The Nation*, 11 June 2009.

The Thai domestic situation has placed the government in an awkward position. As the host of ASEAN Plus Three Summit in Pattaya in April 2009, the prime minister proved utterly incompetent in handling the angry red-shirted protesters who successfully raided the meeting venue, which led to the total cancellation of the event. Releasing a statement that criticised Burma might have been seen as a brave move. However, members of the Thai opposition slammed it as pretentious. They asked: How was Abhisit comfortable to comment on any military-run regime since he obtained assistance from the military to set up his own coalition? Does the Abhisit government have the moral authority to promote reconciliation in Burma when it has so far failed to reconcile the red-and-yellow shirted factions? Does the government have any clear vision and passion about supporting the opposition and dissident groups in Burma? The endless list of questions unveils Thailand's innate weaknesses in dealing with the Burmese regime. These weaknesses have in turn compelled the Thai state to play second fiddle to Burma.

### **Thai-ASEAN-Chinese Cooperation**

Thailand's vulnerable position has prompted the Thai leaders to reach out to China, long perceived as Burma's patron, to help each other counterweigh the Burmese junta's rising confidence and its continued manipulation of bilateral politics against both Bangkok and Beijing. Separately, Foreign Minister Kasit and Prime Minister Abhisit paid official visits to China from 10–11 and from 24–26 June 2009 respectively. In each of the high-profile visits, the political situation in Burma featured high on Thailand's agenda. Thailand and China discussed and exchanged views on Burma to ensure that their respective positions would not undermine each other.<sup>21</sup> From the geopolitical perspective, they are facing a similar predicament in dealing with Burma arising from their dependency on natural gas and resources imports. In December 2008, the China National Petroleum Corporation (CNPC) announced that it had concluded a thirty-year deal to buy natural gas from Burma. The signing guaranteed that energy-hungry China would be able to fulfil a portion of its energy demands with natural gas from Burma's offshore Blocks A-1 and A-3 in the Bay of Bengal for at least thirty years.<sup>22</sup> Furthermore, China and Burma also signed an agreement in March 2009 for the construction of a 1,100-kilometre oil and natural gas pipeline, which will

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<sup>21</sup> "China Attaches Great Importance to ASEAN", *Foreign Office, The Government Public Relations Department*, 15 June 2009. Additional information: Ministry of Foreign Affairs of Thailand.

<sup>22</sup> Wai Moe, "Chinese Signs Burmese Gas Deal for 30-Year Supply", *The Irrawaddy*, 26 December 2008.

start in Kyaukpyu port on the west coast of Burma and enter China at a border city in China's Yunnan province. Compared with ocean shipping, the oil pipeline will reduce the transport route to China by 1,200 kilometres, and help reduce China's reliance on the Straits of Malacca for oil import.<sup>23</sup> The fact that Burma has now become one of China's most important sources of energy is a testimony to Naypyidaw's eminent position in Chinese national policy.

Nevertheless, dependency on Burmese oil and gas is not the only ominous predicament for Thailand and China. Their long, capricious common borders with Burma continue to pose a myriad of threats, ranging from illegal migrant workers to narcotic and human trafficking. More worryingly, along these porous borders live the still-active ethnic insurgents who have for decades engaged in armed conflicts with the Burmese regime. Recently, the maritime boundary has emerged as the latest source of Thai-Burmese conflict. The Rohingya refugees who fled to Thailand from economic hardship and political suppression in Burma became the issue that stirred up controversy at the international level. While Thailand was reprimanded for its maltreatment of the refugees, Burma worsened the situation by appearing uncooperative in offering an appropriate solution, either through a bilateral framework or in the context of ASEAN. With a combination of contentious issues, Burma's internal situation was therefore treated as a taboo subject in Thai-Sino relations. Thai and Chinese leaders did not want to jeopardise their economic and security interests with Burma; and by doing so, they piggybacked the Burmese regime contentedly. Thaksin, while in power, even went further by performing as Burma's mouthpiece, helping the generals in Naypyidaw to reconstruct a new image of the State Peace and Development Council (SPDC) as a pro-democracy entity, as reflected in his initiative of the "Bangkok Process".<sup>24</sup> Overall, both Thailand and China shared a common position toward Burma: to appease and accommodate the military junta. As a result, they defended the Burmese regime and urged the global community to let it solve its problem by itself without the West's dictation. This had been the position of Thailand and China toward Burma, at least until the trial of Suu Kyi.

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<sup>23</sup> "Myanmar Oil, Gas Pipeline to be Built," *Xinhuanet*, 17 June 2008. Poon Kin Shee argues that Burma is important for China in the context of being a "land-bridge" that connects Yunnan, through the historical "southwest silk road" with the northern part of Burma and westward to Bangladesh, India, and the West. The construction of oil and gas pipeline would complement China's plan to revive this trading road. See, Poon Kim Shee, "The Political Economy of China-Myanmar Relations: Strategic and Economic Dimension", *Ritsumeikan Annual Review of International Studies*, vol. 1 (The International Studies Association of Ritsumeikan University, 2002), p. 35.

<sup>24</sup> The "Bangkok Process" was initiated by Thaksin in 2003 as a platform showcasing the Thai commitment toward political reform in neighbouring Burma. The first "Bangkok Process" meeting was held in December 2003 in Thailand. However, Burma refused to send its delegates to attend the follow-up meeting in April 2004 that eventually led to the end of the "Bangkok Process".

In many ways, the trial of Suu Kyi contributed positively to the strengthening of cooperation among China, Thailand, and ASEAN. The severity of the international condemnation of Suu Kyi's trial and the unrelenting oppression inside Burma opened the door for them to work closely together to engage Burma in a more coordinated manner. In the past, Thailand, China, and ASEAN all possessed different positions and strategies in their contacts with the Burmese junta. The lack of a unified stance allowed the Burmese junta to manipulate regional politics and opinion without any restraint on its deteriorating political situation. One recent phenomenon has however made regional coordination possible—the launch of the ASEAN Charter in December 2008. The ASEAN Charter has offered more room for China to express its solidarity with the grouping on a variety of issues, including the contentious democratisation in Burma. The ASEAN Charter may have become the topic of fierce debates: whether it might function effectively or in fact become a toothless document. However, it at least provides the Chinese leaders with a “legitimate point of reference” as China continues to engage with Burma and ASEAN at the same time. This is because Burma is a member of ASEAN and China has long viewed ASEAN as its strategic partner. Hence, China has the responsibility to support and encourage ASEAN members' compliance with their newly launched constitution. China will be able to refer to, or even exploit, the ASEAN Charter when it manages its relations with Burma. In doing so, Beijing can afford to restructure its Burma policy in a way that is less personalised, less elastic, but not necessarily less intimate.

China's endorsement of the two recent joint statements from the UN Security Council and the ASEAN-ASEM (Asia-Europe Meeting) forum was a confirmation of its new perspective on the situation in Burma. China's firm backing of the ASEAN chair's statement on Burma boded well with the current sentiment within the top Chinese leadership. Leaders in Beijing have for years been searching for a unified ASEAN position on Burma which they could support and make a rallying point.<sup>25</sup> It is also in China's strategic interest to espouse the ASEAN collective position on Burma. What China wanted was political stability in Burma, not necessarily a political change. This explained why, in the past, China appeared to have condoned Burma's misbehaviour and remained silent on its worsening political situation. Recently, the Burmese regime has proven to be unable to construct a stable state. The fact that the pro-democracy protesters were willing to contest the legitimacy of the Burmese supremos in 2007, and that the Kokang forces have emerged as a challenge to Naypyidaw points to the reality

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<sup>25</sup> Jing Dong Yuan, *China-ASEAN Relations: Perspectives, Prospects and Implications for U.S. Interests*, (Pennsylvania: Strategic Studies Institute United States Army War College, 2006), p. 38.



of a deepening crisis in Burmese politics. Burma's political instability and the lack of any prospect for a political change have directly affected its neighbours' security situations. Thailand represents the primary receiving end of Burma's internal problems. The flooding of the Rohingya refugees into Thailand was a case in point. China, too, is not free from Burma's domestic troubles. Refugees fleeing from Kokang in Burma arrived at the border town in Nansan in China in late August 2009. China was concerned about the possible spill-over effects of fighting between the Tatmadaw and the Kokang army, which would surely disturb its economic interests both inside Burma and along the border.

China has in the past decade emerged as the world's on-the-rise power. Its global responsibilities are becoming greater and more demanding. China is expected to contribute more toward ensuring regional peace, and, in particular, finding a breakthrough in Burma's political stalemate. Accordingly, China has re-evaluated its policy *vis-à-vis* Southeast Asian countries and ASEAN. The region's new development has also necessitated Beijing to revise its foreign policy approach. China is making sure that it will not appear, in any possible way, to belittle the ASEAN Charter and the ASEAN chair, simply because Thailand, the current ASEAN chair, is China's traditional partner. Undeniably, Beijing has an immense interest in promoting stable relations between Burma and Thailand as well as Burma and ASEAN. Under the present circumstance, however, the delicate relationship among Thailand, Burma, and ASEAN is deeply complicating the way China prioritises its strategic interests in the region. Balancing between its own national interests and rising expectation in ASEAN and the international community is now one of China's top agendas. Prime Minister Abhisit, despite being beset by mounting political pressure at home, has continued to strengthen the ASEAN position toward Burma. During his visit to Beijing, Abhisit requested China's accommodation to the grouping's concern about the situation in Burma. Abhisit's implementation of a new approach, through the renewed flexible engagement policy, is meant to encourage the military junta to expedite its democratisation process with the blessing of ASEAN. Abhisit said, "The Thai government will use a flexible engagement policy in relation to Burma under the Democrat administration."<sup>26</sup> Analysts see Abhisit's flexible engagement as an endorsement of open and frank discussion on issues such as human rights, leading to cooperative solutions—a pooling of sovereignty rather than a dilution, so as to make Southeast Asia a secure and prosperous region.<sup>27</sup> This effort would also complement ASEAN's

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<sup>26</sup> Quoted in Wai Moe, "Burma Situation Affects Region: Thai PM", *The Irrawaddy*, 15 January 2009.

<sup>27</sup> *Ibid.*

plan to achieve its internal integration and community building by the year 2015. China's unfailing support of ASEAN in this respect could be seen as its long-term investment in goodwill with the organisation.

## **Conclusion**

The government of Abhisit Vejjiva has been recurrently battling with political opponents for what is ultimately the protection of its power position. Overwhelmed by political crisis at home, Abhisit has so far insisted on showing his leadership in ASEAN in regard to its policy on Burma. Abhisit himself has backed a new way of dealing with the stubborn regime. As the chair of ASEAN, he has regionalised his approach, which focuses on constructive intervention in Burma's domestic politics. The response from other ASEAN members has been forthcoming, indeed since the launch of the ASEAN Charter. They wanted to exhibit to the world their seriousness about making the Charter a success. Thailand's harsher position toward Burma seems to serve two purposes, both for the legitimisation of the Abhisit regime at national and regional levels and for the sanctification of the ASEAN Charter. However, democratising Thai policy toward Burma has a high price. It has renewed bilateral conflicts, especially at their borderlands, and mutual suspicion that has long plagued their relationship.

China has also seen itself in a challenging position. On the one hand, Thailand is China's close friend. The connections between the Thai royal family and the Chinese leadership and between the two countries' armies and business communities remain strong. Moreover, Thailand is serving as the current ASEAN chair. China has always regarded the strengthening of relations with ASEAN as one of the most important priorities in its foreign policy. ASEAN would hope for China to work together more intimately toward the success of the ASEAN Charter in its embryonic year of implementation. So far, China has demonstrated its willingness to fulfil ASEAN's goal especially in tackling the Burma problem, using the Charter as a protective stage to project a more critical view on the generals in Naypyidaw. The new regional atmosphere has dictated both Thailand and China, who share common burdens, to make use of regional mechanisms in order to cut Burma's Gordian Knot. But China is at the crossroads. Ultimately, Burma represents a major strategic interest for China—the access to two oceans and a main source of natural resources. The success of ASEAN and the ASEAN chair in helping resolve the political turmoil in Burma, to a large extent, lies in the ability of the Chinese leaders to weigh between its pure national interests and the way it responds to mounting expectations both from the region and the global community.

# The Indonesian Angle<sup>1</sup>

*Lex Rieffel*<sup>2</sup>

Indonesia is linked to Myanmar in four distinct ways. It provides a model for military-led governance. It offers a way to transition from authoritarian rule to democratic rule. It demonstrates how sound economic policies can produce sustainable economic growth. Moreover, it has a special responsibility, as the natural leader of the ASEAN community, to help Myanmar become a contributing member of the community.

In this paper we examine these links and consider how they may affect Myanmar through the elections in 2010.

## **Indonesia as a Model for Military-led Governance**

The most important common experiences of the Indonesian Armed Forces (TNI) and the Myanmar Armed Forces (Tatmadaw) are their links to Japan during World War II, their roles in gaining independence for their countries after the war, and their post-independence military operations to suppress communist and secessionist movements inside their countries.

Indonesia and Myanmar were both occupied by Japan during World War II. During the period of occupation, the Japanese authorities armed and trained indigenous “anti-colonialist” military units. In the case of Burma, leaders of these units were trained in Japan and emerged as national political leaders following independence, notably General Aung San and General New Win. In both countries, as the Allied forces began rolling back Japan, these military units turned against the Japanese.

When the war ended in August 1945, the Allied powers assigned to the United Kingdom the task of disarming the Japanese troops and restoring civil order in both countries. The British resumed control of Burma without a struggle, but quickly faced escalating demands for independence (parallel with those related to India)—within the United Kingdom as well as within Burma. In Indonesia, by contrast, the nationalists declared independence two days of the

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<sup>1</sup> This paper is best viewed as an outline for a well-grounded study of the Indonesia-Myanmar relationship. More information is available on all of the aspects covered in this note than was used in preparing it. Further research could point toward somewhat different conclusions.

<sup>2</sup> Lex Rieffel, Non-resident Senior Fellow, the Brookings Institution, Washington, DC, US.

Japanese surrender, and the British forces quickly found themselves fighting an effective anti-colonialist insurgency that threatened none of their vital interests. They yielded control of the former colony to the Netherlands before the end of 1946. Led by the TNI, the insurgency grew until 1949 when the Netherlands capitulated.

Their victories over occupying and colonial powers conferred upon the TNI and the Tatmadaw a similar claim to legitimacy.<sup>3</sup> They were seen after independence as the “saviours” of their countries and the “guardians” of their sovereignties and territorial integrities against armed threats, both external and internal.

In the 1950s, both countries confronted existential threats from ethnically based secessionists and ideologically motivated communists. The TNI was successful in fighting these groups and uniting the country. In particular, after an abortive coup in 1965, the TNI under General Soeharto pushed aside the civilian leader since independence, Soekarno, and crushed the communist movement in a nation-wide bloodbath. Under Soeharto, while Indonesia maintained its historic non-aligned position in the Cold War, the TNI sent waves of officers to the United States for training and eagerly embraced elements of US military culture.

By contrast, Myanmar’s military culture became increasingly xenophobic and self-centred. The communist movement in Myanmar died more from lack of local—and eventually Chinese—support than the Tatmadaw’s operational effectiveness. More critically, the Tatmadaw was unable to crush the secessionist forces entrenched in the mountainous regions of its borders with India, China, and Thailand. As a result, Myanmar now claims the distinction of hosting the world’s longest continuing civil war.

Reflecting their different post-colonial military cultures, the Cold War had a different impact on the two countries. Indonesia was on the US side of the great divide and garnered the fruits of this choice when China withdrew from the Cold War to focus on economic growth at the end of the 1970s and when the Soviet Union collapsed a decade later. Myanmar was never a pawn or a player in the Cold War, neither benefiting nor suffering.

The Indonesian angle of greatest interest in this superficial survey is the thirty years of General Soeharto’s authoritarian regime, which transformed the country from a basket case in the mid-1960s to one of Asia’s fast-growing tigers by the mid-1980s.

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<sup>3</sup> Indonesia declared independence on 17 August 1945, but the Netherlands only ceded control over the territory in December 1949. The Japanese puppet government of Burma declared independence on 1 August 1943, but it was a hollow gesture. The UK granted independence to Burma on 4 January 1948.

Four basic features contributed to the singular success of the Soeharto regime. One of them was its constitutional foundation. Soeharto accepted the structure of government laid out in the 1945 constitution, a structure that was inspired openly by the American constitution and provided for a strong presidency.<sup>4</sup> Throughout the Soeharto era, 100 of the 500 seats in the House of Representatives (DPR) were reserved for the military. In addition to the TNI members in the DPR, the People's Assembly (MPR) included a number of military personnel among the representatives of functional groups (e.g., associations of veterans).<sup>5</sup>

A second basic feature of the Soeharto regime was minimal budget support for the military establishment. The TNI's share of the central government budget fell to below 10 per cent within Soeharto's first ten years and remained there. Pay and benefits for soldiers remained at subsistence levels. Procurement of weapons was haphazard, blatantly corrupt, and fell far short of requirements to defend the country's airspace and ocean space.

A third basic feature was putting economic policy in the hands of a small group of US-trained technocrats who dominated cabinet-level and sub cabinet-level policy debates. Ministers holding economic portfolios who had been military officers were a rarity.

A fourth basic feature was the role of Golkar, the political party created by Soeharto to embody the spirit of his regime and advance its agenda. By skilful manipulation of people and resources, Golkar became increasingly effective in winning the elections held every five years. Even when Soeharto's popularity had sunk to worrisome levels in 1997, Golkar pulled off a convincing victory in the parliamentary elections that set the stage for Soeharto's re-election for a seventh term by the People's Assembly (MPR) in March 1998.

This same feature, however, points to a critical vulnerability of authoritarian regimes: leadership succession. Soeharto never groomed a credible successor. If he had managed an orderly transition of power in 1993, at the end of his fifth term, his legacy probably would have been overwhelmingly positive. His unwillingness or inability to do so then or in 1998, virtually guaranteed a less than glorious departure.

During the *Ne Win* period from 1962 to 1988, military-to-military relations between Indonesia and Myanmar were insignificant. In the 1990s, there was considerable interest among Myanmar's military leaders in Soeharto's formula for regime maintenance. The USDA "movement" was created by the regime in

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<sup>4</sup> Anwar (2001, pp. 13–15).

<sup>5</sup> While it did not specifically allocate seats for the TNI in the MPR or the House of DPR, Article 2 provided for the MPR to include representatives of functional groups as specified in a law, and Article 19 provided for the structure of the DPR to be specified in a law. In the late 1950s, Soekarno issued a decree formalising the TNI's status as a functional group.

1993, inspired evidently by the Golkar party.<sup>6</sup> First Secretary Khin Nyunt led a large delegation to Jakarta in December 1993, to study Indonesia's *dwifungsi* (dual function) approach to military rule.<sup>7</sup> In the same period, the Indonesian government responded positively to requests from the SLORC to send military officers to Indonesia for training.

One impressive result of Indonesia's accelerated transition to democratic rule was terminating the political role of the TNI, including its reserved seats in the DPR. In addition, new laws were enacted to prohibit military personnel from holding positions in the government, or in business enterprises. These and other steps to reinforce civilian supremacy over the military effectively ended Indonesia's appeal to the military regime in Myanmar as a governance model.

While both the TNI and the Tatmadaw cling to the notion that they are defending their countries from external aggressors, in terms of force structure and operational activity, both have been almost totally focused on internal threats for the past forty-five years. From a military perspective, the predominant character of both military forces is their weakness. Neither one is in a position to defend its own airspace nor its territorial waters against an external attack by a modern force for more than a few hours. Neither is capable of delivering a credible threat beyond its borders.<sup>8</sup>

## Indonesia as a Model for Transition to Democratic Rule

Indonesia's transition to democratic rule since Soeharto was forced to resign in 1998 is close to miraculous. A case can be made that Indonesia today is Asia's most democratic country.

Realistically, Indonesia is more of a dream for Myanmar than a model. Expecting Myanmar to have a government as democratic as today's Indonesia within the next decade verges on the delusional. Under the best of circumstances, it would probably take at least a decade to build five foundations for democratic rule that were already in place in Indonesia by 1998: personal security, national unity, economic growth, civil society, and institutional capacity.

*Personal Security:* Indonesians have experienced personal insecurity. The oldest among them lived with it before independence, at the hands of their colonial

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<sup>6</sup> Seekins (2002, p. 298).

<sup>7</sup> Sundhausen (1995, p. 768).

<sup>8</sup> According to the database of the Stockholm International Peace Research Institute (SIPRI), the armed forces personnel of the TNI numbered 302,000 in 2003 (in a population of 240 million) and the comparable figure in the same year for the Tatmadaw was 439,000 (in a population of fifty-four million). Both the TNI and the Tatmadaw are overwhelmingly dominated by the Army. The Tatmadaw is predominately Burman, however, while the TNI is ethnically (and religiously) diverse.

masters or Japan's occupying forces. Many more are survivors of the bloodbath that followed the failed coup in 1965. In this historical context, Soeharto is above all remembered for bringing stability and order to almost every corner of the sprawling and diverse Indonesian archipelago.<sup>9</sup>

The world seems to be slowly learning that personal security is a precondition both for democratic rule and economic growth. Achieving in Myanmar a sense of personal security comparable to what Indonesia had during the Soeharto era will not be easy. It will almost certainly require both a reduction in the size of the Tatmadaw and a redefinition of its mission.

*National Unity:* Indonesia's ethnic diversity at independence was arguably a magnitude or two greater than in Myanmar. How then did Indonesia manage to develop such a strong sense of national unity?

One explanation is an early sense of partnership in the nationalist movement between Javanese and non-Javanese leaders.<sup>10</sup> The Javanese understood that the independence project could not succeed if it had an aura of Javanese hegemony. Another explanation is the serendipitous decision by the nationalist movement in the 1920s to adopt a national language—*Bahasa Indonesia*—that would be a second language for all Indonesians.

Indonesia's approach to regional autonomy has also been a critical factor in achieving the high degree of national unity that exists today. Three years after the fall of Soeharto, the Indonesian legislature passed one of the most sweeping decentralisations of government authority in modern times. It is difficult to imagine a major reduction in the ethnic tensions that have plagued Myanmar since independence without a comparable decentralisation of government authority.

*Economic Growth:* In the third part of this paper, we examine the Indonesian formula for sustainable economic growth and its implications for Myanmar. Here we simply suggest that the economic growth achieved during the thirty years of Soeharto's rule was a prerequisite for the transition to democratic rule that took place after 1998.

In this connection, the historical context was important. Indonesia's first experiment with parliamentary democracy, from 1950 to 1958, was a dismal failure. It did not produce a dominant party or coalition capable of implementing

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<sup>9</sup> A deeply rooted desire for stability and order among Indonesian voters can be seen in the presence of high-profile retired generals as vice presidential candidates on both of the opposition tickets that competed in the 2009 presidential election campaign. Episodes of communal conflict have continued even during the past ten years of *reformasi*, but they have been relatively small scale. Secessionist sentiments remain at the extremities of the archipelago, in Aceh and Papua, but appear containable.

<sup>10</sup> The national motto of Indonesia is *Bhinneka Tunggal Eka* (unity in diversity), the equivalent of the American motto *e pluribus unum*.

a coherent set of policies, and it did not generate tangible improvements in the general standard of living. In retrospect, there are grounds for believing that democratic rule was adopted prematurely by Indonesia. In this respect, Myanmar's first experiment with parliamentary democracy, from 1948 to 1962, was a comparable failure for similar reasons.

After the traumatic events of 1965, one obvious factor that turned Indonesian public opinion increasingly toward democratic rule was the impressive rise in living standards over the next thirty years. It gave the population confidence that the risks of giving democracy a second chance were tolerable.

*Civil Society:* At independence, both Indonesia and Myanmar had respectable civil society organisations by the standards of the day. They both had market economies and media outlets controlled by the indigenous population. In Indonesia, civil society advanced moderately in the 1950s, hibernated in the 1960s, and blossomed with the rising economy after 1970. The growth of civil society organisations was especially vigorous in the 1990s as dissatisfaction with the Soeharto regime escalated. These organisations played key roles in forcing Soeharto out and beginning the transition to democratic rule.

The depth and breadth of civil society in Myanmar today is greater than most outsiders understand, but it does not come close to what Indonesia achieved twenty years ago.

*Institutional Capacity:* Indonesia's history of post-independence institutional development is strikingly different from Myanmar's in two respects. First, at no point did Indonesians face serious obstacles to studying abroad and acquiring the skills that support modern societies (or to bringing foreign experts to Indonesia to train and teach). Second, a high percentage of the Indonesians who did study abroad returned to Indonesia after their studies were finished.

While Indonesia has made substantial progress in developing modern institutions, the country's institutional capacity remains surprisingly weak. A somewhat encouraging implication for Myanmar can be found here: judging by the Indonesian case, it is not necessary to have well-developed institutions in the public sector and the private sector to achieve rapid economic growth.

## **Transition to Democratic Rule**

From the preceding discussion, it can be seen that the prospects for a successful transition in Indonesia in 1998 were much greater than the prospects for Myanmar today. At the same time, it may be more accurate to describe the popular uprising that ended authoritarian rule in Indonesia as a revolt against Soeharto rather than for democracy. The majority of Indonesians alive in 1998



had never lived under democratic rule, and those who had did not view it as a happy period. It is a stroke of good fortune, a felicitous combination of factors, more than an inevitable outcome that has enabled Indonesia to build a strong multi-party democracy over the past ten years.

It would be irresponsible, however, to move on without probing further the meaning of democratic rule in the Asian context. To begin with, a common “path to prosperity” can be detected in the Asian experience of the past sixty years. The path begins with the gentle slopes of economic development and enters the rocky terrain of political development (i.e., democracy) after the country has achieved middle-income status. This Asian experience begs the question of what is special about Myanmar that makes the kind of democracy advocated by the loudest voices in the United States and Europe a pre-condition for economic growth in that country.

Furthermore, many flavours of democratic rule co-exist in Asia. For example, Japan has East Asia’s oldest democracy, but a single party dominated its political life for more than fifty years. Singapore has a much higher standard of living than Indonesia and calls itself a democracy, but it still looks distinctly more authoritarian than Indonesia. Recent events in Thailand and Malaysia have also highlighted the potential for social turmoil even in “mature” democratic systems. What is the basis for believing that a democratic government in Myanmar today would be less dysfunctional than the democratic governments that ruled in the 1950s?

## **The Indonesian Formula for Sustainable Economic Growth**

The Indonesian formula for the thirty years of rapid economic growth recorded during the Soeharto era is essentially the same formula adopted earlier by other Asian countries (notably Japan, Korea, and Taiwan). Nothing inherent in the formula is hard to implement by a military regime like Myanmar’s.

Four elements of the formula appear especially important in explaining Indonesia’s success and are highly relevant to Myanmar: good money, a balanced budget, pro-growth budget priorities, and removal of barriers to trade and investment.

- Worldwide experience in developing countries, with all forms of government, points to the importance of good money, meaning a national currency that maintains its value by keeping annual consumer price inflation well below 10 per cent.
- The most common threat to good money is a budget deficit financed by borrowing from the central bank. Therefore a balanced budget

is always a critical complement to monetary discipline. Budget balance requires broad tax measures that do not excessively favour the rich and powerful, and are reasonably well enforced.

- A balanced budget can only contribute to sustainable growth, however, if the spending priorities are right. Under Soeharto, a high priority was given to spending on education, health, and rural/urban community development.<sup>11</sup> One negative spending priority in Indonesia would clearly be problematical in Myanmar: defence spending. The Soeharto regime and the post-Soeharto governments all rebuffed the TNI's repeated claims of being under funded by 50 per cent or more.
- Removal of barriers to trade and investment was critical both internally and externally. It enabled capital to be used more efficiently, and it allowed growth to spread spontaneously.

While Indonesia's formula for economic growth has been successful by most accounts, it has fallen short in four areas that are potential problems for Myanmar as well: exploitation of natural resources, state-owned enterprises, cronyism, and infrastructure.

- Indonesia is a prime example of "the resource curse". As much as in Myanmar, excessive legal exploitation of resources as well as illegal extraction has been a constant problem. Even after the historic decentralisation of government authority in 2001, illegal extraction remains rampant, and the government goes too far in accommodating pressures to exploit resources legally. Moreover, the TNI is widely considered to be part of the problem more than part of the solution.
- Indonesia's state-owned enterprise (SOE) sector has been large and substandard since the late 1950s when most foreign-owned businesses were nationalised. Despite overwhelming evidence of its inefficiency, the sector continues to grow, justifying its existence by job creation.<sup>12</sup>

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<sup>11</sup> An early emphasis on family planning is paying substantial dividends now. Programmes initiated in the early 1970s to fund community-based public works were especially effective in addressing endemic underemployment and contributing to a sense of progress at the grassroots. Primary education was emphasised, which has enabled the country to achieve a high literacy rate.

<sup>12</sup> The SOE sector as a whole is believed to be a major source of campaign financing, not only in the Soeharto era but also today. Businesses owned or controlled by the TNI are considered part of the SOE sector. Pursuant to a law passed in 2004, however, all military businesses are due to be transferred to the government by October 2009. Reflecting the strength of the vested interests involved, it is unlikely that this deadline will be met more than superficially.

- Cronyism more than any other factor is the reason why Indonesia experienced a sharper fall in GDP in the 1997–98 financial crisis than other East Asian countries. In a nutshell, vested interests became steadily stronger during the three decades of Soeharto's rule. In the crisis, they were strong enough to block the kinds of reforms the technocrats had been allowed to implement in earlier episodes of balance of payments pressure. One of the aims of the popular movement that unseated Soeharto was to eliminate cronyism, but new cronies have emerged that are still discouraging investment and undermining the credibility of the government.
- Compared to other fast-growing Asian countries, Indonesia's infrastructure development has lagged and is now a serious constraint on growth. Two factors contributing to Indonesia's relatively unattractive investment climate are popular distrust of foreign investment and a tendency to view infrastructure services as an entitlement.

With such a well-travelled Asian path to prosperity, and strong interest among all of its neighbours in supporting rapid economic growth in Myanmar, it is important to try to understand why the military regime continues to shy away from this obvious course. One possible answer is sheer ignorance resulting from the regime's self-imposed isolation. A more believable answer is fear that steps in this direction will lead to a loss of power and material wealth by senior officers, their families, and business partners. Compounding such fear is the possibility that the military leaders will be treated as war criminals and that their families and friends will be imprisoned or worse. Unless a way is found to overcome this ignorance or fear, the adoption of pro-growth economic policies after the 2010 elections will happen slowly at best.

## **Indonesia as the Leader of the ASEAN Community**

ASEAN was born in 1967, two years after the failed coup in 1965, and less than six months after Soeharto formally became Indonesia's president. ASEAN without Indonesia is inconceivable because of its size and history. Today, at 240 million citizens, Indonesia is two-and-a-half times larger than the Philippines, the next largest of the ten ASEAN member countries. It accounts for 41 per cent of ASEAN's aggregate population of 580 million.

In discussing Indonesia's approach as the natural leader of ASEAN to the problem of Myanmar, it is helpful to distinguish three periods: from the creation of ASEAN in 1967 to the fall of the Ne Win regime in Myanmar in 1988, from that point to the fall of Soeharto in 1998, and from that point to the present.

*First period, 1967 to 1988:* Myanmar was not a member of ASEAN and the Ne Win regime was extremely isolationist. The Soeharto regime was preoccupied with maintaining internal stability and establishing the conditions required for rapid economic growth. Unsurprisingly, there were no interactions of consequence between the two countries during this period.

*Second period, 1988 to 1998:* Highlights in the second period were the SLORC's interest in the Indonesian model of authoritarian rule, the growing interest of Soeharto Inc. in a commercial relationship with Myanmar, the momentous decision by the five founding members of ASEAN to invite Myanmar to become a member, and the military regime's decision to accept the invitation. For the rest of the world, however, the dominant story of this period was the emergence of Aung San Suu Kyi at the head of a movement seeking to end military rule, the SLORC's rejection of her party's victory in the 1990 elections, the SLORC's unconscionable treatment of "The Lady", and the bestowing on her of the Nobel Peace Prize in 1991.

The Indonesian government reacted in a subdued manner to the popular uprising in 1988, the coup that deposed General Ne Win, the elections of 1990, and the emergence of Aung San Suu Kyi. Naturally the Soeharto regime was disinclined to criticise military rule in Myanmar. Indonesian Foreign Minister Ali Alatas made his first official visit to Yangon in February 1994.<sup>13</sup>

As the 1990s unfolded, the Soeharto regime's interest in Myanmar grew visibly, culminating in a state visit to Yangon in 1997. By this time it was quite clear that the Soeharto regime's interests were largely commercial and linked directly to businesses controlled by Soeharto's children and their partners.

A key participant in the 1997 visit was Ali Alatas, who was Indonesia's foreign minister from 1988, through the fall of Soeharto and the subsequent short presidency of Habibie. Alatas was a towering figure among Southeast Asian diplomats until his death in 2008. He visited Than Shwe in Yangon in 2003 and 2005, played a key role in drafting the ASEAN Charter as a member of the Eminent Persons Group, and co-authored a plan submitted to President SBY in 2008 for resolving the problem of Myanmar.

Despite the growing links between Indonesia and Myanmar during the 1990s, Malaysia more than Indonesia was the champion of Myanmar's membership in ASEAN in 1997.

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<sup>13</sup> Vatikiotis and Lintner (1994).

### Major Visits between Indonesia and Myanmar

February 1997	President Suharto to Yangon (side meeting with retired General Ne Win)
November 1999	President Wahid to Yangon (side meeting with Aung San Suu Kyi)
August 2001	President Megawati to Yangon
April 2005	Senior General Than Shwe to Jakarta (for the Asia–Africa Summit; side meeting with Soeharto)
March 2006	President Susilo Bambang Yudhyono to Yangon
March 2009	Prime Minister Thein Sein to Jakarta

*Third period, 1998 to present:* The popular movement that forced Soeharto to resign and launched the country on its remarkable transition to democratic rule triggered a sharp cooling of relations between Indonesia and Myanmar. At the same time, it raised the stakes for the three presidents of Indonesia elected since then in their roles as leaders of the ASEAN community. Each of these presidents visited Yangon. Each of them failed to persuade Myanmar's military regime to release Aung San Suu Kyi from house arrest or to adopt policies more consistent with the goals of the ASEAN community.

The visit by President Abdurrahman Wahid in November 1999 was the only visit that included a meeting with Aung San Suu Kyi. Wahid epitomised the spirit of national reconciliation, respect for diversity, and universal democratic values. However, his arguments had no visible impact on the SPDC.<sup>14</sup>

The visit of President Megawati Soekarnoputri in August 2001, just a month after she was elevated to the presidency, had overtones of the 1997 Soeharto visit. Her delegation was large and gave prominence to commercial interests. In May 2003, Aung San Suu Kyi was attacked when her motorcade was en route to meeting supporters outside of Yangon. In an effort to defuse the Myanmar issue at the ASEAN Summit to be hosted by Indonesia on Bali in October 2003, Megawati sent former foreign minister Alatas to Myanmar in September as a special envoy to secure the release of Aung San Suu Kyi from house arrest.<sup>15</sup> Alatas met with Than Shwe but his mission, as widely expected, accomplished nothing.

President SBY waited until he had been in office almost eighteen months before he visited Yangon in March 2006. Myanmar was on his mind for two

<sup>14</sup> Given the intensely Buddhist orientation of the military regime, it seems unlikely that its leaders would be impressed by pleas for reform coming from Muslim or Christian interlocutors.

<sup>15</sup> Haacke (2005, p. 193).

reasons: Myanmar's turn to assume the ASEAN chairmanship at the end of 2005, and Indonesia's expectation of being elected to a non-permanent seat on the UN Security Council for a two-year term (2007–2008). Former foreign minister Ali Alatas was a member of SBY's delegation, bringing not only his experience with Myanmar in the Soeharto era, but also two recent meetings with Than Shwe—in mid-2005 as a special envoy (on UN reform) of UN Secretary-General Kofi Annan, and in 2003 as a special envoy of President Megawati.<sup>16</sup> Than Shwe appeared unmoved by any arguments for political or economic reforms advanced during SBY's visit.

Concerns within Indonesia about Myanmar chairing ASEAN had reached a point in 2005 where the Indonesian House of Representatives (DPR) passed a resolution strongly opposing Myanmar's chairmanship. While several ASEAN members argued that denying Myanmar the chair would violate the non-intervention principle, Indonesia was clearly among the stronger group that eventually prevailed upon the SPDC to pass on its turn.<sup>17</sup>

During its term on the UN Security Council, SBY's government had to deal with three tough issues related to Myanmar: the Saffron Revolution and its suppression in September 2007, Cyclone Nargis in May 2008, and the ratification of the ASEAN Charter at the end of 2008.

- SBY's government was quick to condemn the brutal suppression of the protests led by Buddhist monks in the summer of 2007. The government's position was validated by demonstrations by students and statements from civil society leaders denouncing the crackdown. By Indonesian standards, however, the expressions of support for the protestors in Myanmar were relatively subdued. The SBY government had a hand in drafting the unprecedented ASEAN statement calling on the military regime to end its brutal response to the protests, but the statement fell far short of imposing the kinds of sanctions advocated and adopted by the United States, the European community, and other strong supporters of human rights and democracy.<sup>18</sup> A month after the September crackdown, President SBY dispatched retired Lt. Gen. Agus Wijoyo to Yangon to represent Indonesia at the funeral of

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<sup>16</sup> Press reports at the time noted a comment by Alatas that “the best way of bringing reform to Burma is the Javanese way: slowly and surely”. [http://www.atimes.com/atimes/Southeast\\_Asia/GH23Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/GH23Ae01.html) [accessed on 24 June 2009]

<sup>17</sup> Weatherbee (2005, p.153) makes the point that ASEAN's relatively low-profile stance on the East Timor case in 1991 and 1999 helps to explain its similar stance on Myanmar over the past ten years.

<sup>18</sup> A good measure of the difficulties for Indonesia posed by Myanmar was its decision to abstain on a UN Security Council resolution in January 2007 calling on the military regime to cease attacks against ethnic minorities and begin substantive dialogue with the opposition. The draft

Prime Minister Soe Win. General Agus met with the new prime minister, Thein Sein, but apparently came away with no new clues on how Indonesia might help resolve the conflict between the military regime and its opponents.

- The military regime was slow to react when Cyclone Nargis struck Myanmar at the beginning of May 2008. It only opened the country to relief activities by the international community after being pressed from many quarters. SBY also appealed to the regime, but there is no evidence that his efforts were any more effective than appeals coming from China, ASEAN, the United Nations, or other parties who had access to the leadership.
- The ASEAN Charter was signed by the leaders of the ten member countries at the Summit in Singapore in November 2007. Myanmar was a problem from the beginning of the Charter project. A particular bone of contention was the proposed “human rights body” empowered to investigate allegations of human rights violations in any member country. Ali Alatas represented Indonesia on the Eminent Persons Group formed in 2005 to develop a consensus on the main elements of the Charter. He was one of its most influential members, a proponent of the democratic aspirations of the ASEAN community, and a mediator in bridging differences. In the High-Level Group of ASEAN officials charged with drafting the actual charter, however, Indonesia was unable to achieve a number of good governance objectives because of inflexible positions adopted by Myanmar (to some extent supported by Cambodia, Laos, and Vietnam). In particular, differences over the role of the human rights body were papered over.<sup>19</sup> In the ratification process, objections to the Charter from democracy advocates were especially strong in Indonesia and the Philippines.<sup>20</sup>

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resolution was proposed by the United States and the United Kingdom. Two other countries abstained: Congo and Qatar. Three countries voted against: China, Russia (both with veto power), and South Africa. Because of the view of the three opposing countries that the situation in Myanmar did not represent a threat to regional peace and security, the Security Council was unable to pass a resolution after the crackdown on the September 2007 protest movement. These countries did, however, support the statement by the president of the Security Council in October deploring the violence used against the protestors.

<sup>19</sup> Weatherbee (2005, p. 162) notes that a second unmet Indonesia objective for the Charter was establishing a regional peacekeeping capacity as a key element of the ASEAN Security Community.

<sup>20</sup> DPR member Djoko Susilo, in his capacity as chair of the Myanmar caucus and a member of the ASEAN Inter-Parliamentary Myanmar Caucus (AIPMC), was prominent among the opponents of ratification. Indonesia was the next-to-last to ratify, and would have been the last except for the political turmoil in Thailand in late 2008.

Another noteworthy development in 2008 was the formation of an “Indonesian Study Group on Myanmar” co-chaired by Ali Alatas and Jusuf Wanandi.<sup>21</sup> The purpose was to sketch out an Indonesian initiative to lift the burden on ASEAN associated with Myanmar’s miserable record of governance. The group recalled the important role Indonesia played in settling the Cambodia conflict in 1988 and recommended a process leading to a Jakarta-based multi-party dialogue consisting of the SPDC, China, the United Nations, and Indonesia (representing ASEAN).<sup>22</sup> Two events transpired to prevent the initiative from getting off the ground: President SBY was reluctant to pursue it during his campaign for re-election without assurances that the SPDC would agree; and Ali Alatas passed away in December 2008.

The last noteworthy development in 2008 was the inaugural meeting of the Bali Democracy Forum (BDF) in December. An initiative of the Indonesian Foreign Ministry, BDF aims “at the promotion of regional international cooperation in the field of democracy and political development amongst countries in Asia.”<sup>23</sup> A core feature of BDF is its deliberate effort to avoid defining democracy or setting standards. Instead it is built on an Asian (or non-Western) concept of gradual progress through dialogue and mutual understanding.<sup>24</sup> One of the headline “issues of common interest” is “the role of professional military in a democratic society”, which can be seen as a deliberate effort to draw Myanmar into the dialogue in a friendly fashion.

One new issue surfaced at the beginning of 2009. In February, the Indonesian Navy rescued a group of more than 100 boat refugees from the Muslim-minority Rohingya community in Myanmar and provided shelter for them in Aceh. These refugees were from a larger group that had earlier landed in Thailand but was towed back out to sea by the Thai military. Indonesia has a special interest in the Rohingya because of their religion. The treatment of the Rohingya community has become a major test of the effectiveness of the ASEAN community.

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<sup>21</sup> Wanandi is a senior fellow at the Centre for Strategic and International Studies.

<sup>22</sup> ASEAN considers the settlement of the Cambodia conflict to be one of its greatest achievements. Working within ASEAN, Indonesia hosted the Jakarta Informal Meetings between 1988 and 1990 in which the contending Cambodian factions put in place a successful process of national reconciliation. Indonesian Foreign Minister Ali Alatas was the lead “architect” of the international strategy to promote reconciliation. TNI units formed the biggest contingent of the UN peacekeeping force deployed to Cambodia in 1992.

<sup>23</sup> See <http://balidemocracyforum.org/> [accessed on 24 June 2009].

<sup>24</sup> BDF will work through a series of annual summit meetings and will be backstopped analytically by the Institute of Peace and Democracy at Udayana University on Bali.



Closing out this discussion of recent developments, the political calendar in Indonesia in 2009 was dominated by the legislative elections in April, the presidential election in July (won by President SBY in the first round with 60 per cent of the popular vote), and the inauguration of SBY for his second term in late October along with the swearing in of a new cabinet.

It is possible that Indonesia's brilliant record of democratic rule for the past ten years will make it more difficult for Indonesia to be an effective advocate for economic or political reforms in Myanmar. For example, in mid-2009, the Indonesian foreign minister stressed the importance of having the elections due to be held in Myanmar in 2010 be "credible", with credibility measured by the release of Aung San Suu Kyi from house arrest and conventional "Western" standards for free and fair elections. If the elections do not meet these standards, then Indonesia may have forced itself into treating as illegitimate the new government emerging from the 2010 elections.

President SBY's strong mandate for the next five years could provide a basis for taking some risks in addressing the problem of Myanmar. His inclination, however, seems to be to proceed slowly and quietly.

## **Implications for 2010 and Beyond**

One must presume that the default prospect for Myanmar beyond the 2010 elections next year is no change: the form of military rule may change but the (lamentable) substance will not.

It would be foolish, however, to discount the possibility that the new government to be formed after the elections will decide to start down "the Asian path to prosperity". In this optimistic case, four implications can be found in Indonesia's experience and leadership role in the ASEAN community:

- Military rule is not necessarily incompatible with economic growth.
- Military leaders, their families, and business partners are less likely to suffer from a transition to civilian rule if they have worked to build the foundations for successful civilian rule.<sup>25</sup>
- Pro-growth economic policies can best be formulated and implemented by technocrats, and these policies need not diminish the status and wealth of the military leadership.

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<sup>25</sup> Vietnam may be a better example of this pattern than Indonesia.

- Myanmar's ASEAN partners share its interest in managing pressures from the world's old powers (e.g., the United States and the United Kingdom) and new powers (e.g., China and India), and they can be expected to help Myanmar strengthen its capacity to stand up to these powers.

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**Myanmar and  
Other Powers:  
Predicament and  
Prospects**



# **Beyond (Mis)Perceptions: New Options for India in Face of the China-Burma Partnership**

*Renaud Egreteau<sup>1</sup>*

## **Introduction**

In the past two decades, the Chinese presence and presumed influence over Burma<sup>2</sup>—which has been ruled by a new military regime with its close interactions with Beijing, extensively reported since 1988—has led India to perceive new direct and indirect threats right at its eastern borders: (1) threats to its national security (from the Indian Ocean, onto which Burma is wide open thanks to a 1,920 km-long coastline, to India’s northeast, which shares a 1,643 km-long border with Burma and a contested frontier with China beyond the McMahon Line to the Indian federal state of Arunachal Pradesh); (2) threats to its economic and commercial rise with an aggressive Chinese competitor gaining new markets and resources in Southeast Asia, starting with Burma; and (3) threats to its political and diplomatic regional ambitions in Asia illustrated by the launch of a “Look East Policy” thought-out in Delhi back in the early 1990s and globally aimed at getting a strong Asian toehold.

China’s strategic agenda southward has thus led India to respond in a peculiar way, given the strategic, economic, diplomatic, but also cultural stakes involved in and around Burma since the end of the Cold War. This article aims at highlighting these Burma-related issues to analyse how they are interpreted—or misinterpreted—by India, and by whom in India, as it will be argued that internal divisions in New Delhi or in the northeast, have played a significant role in the hesitations of the Indian approach to the Burmese conundrum, especially with regard to the China-Burma (presumed or asserted) linkages. The article indeed

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<sup>1</sup> Renaud Egreteau (PhD CERI-Sciences Po Paris, 2009) is Research Assistant Professor at the Hong Kong Institute for the Humanities and Social Sciences (inc. Centre of Asian Studies), Hong Kong University.

<sup>2</sup> For ease of linguistic simplicity and without any political connotation, the author has chosen to hereafter use the English terms “Burma” and “Rangoon”, instead of the vernacular terms of “Myanmar” and “Yangon”.

intends to illustrate the difficulties India had encountered in Burma in the past decade, including its counterbalance strategy of China and the fallacies about a dreadful “Chinese Threat” around the Burmese strategic field. After all, the Sino-Indian “Great Game” in Burma on which many articles and intelligence reports were drawn might not be as flagrant as often perceived. Conclusions will eventually be proposed on the possibilities to see India more influential in Burma with a proposed set of new policy options.

### **The Setting: China’s Burmese Agenda since 1988**

Since 1988, a unique partnership has been established between China and Burma, though this new rapprochement had been foreseeable since Deng Xiaoping’s landmark visit to Rangoon in 1978. The Chinese interests in Burma are crystal clear, as they respond to both geographical logics and politico-economic objectives for a rising China, wary of the economic development of its most isolated provinces—such as Yunnan—and of the security and peacefulness of its southern borders. Given the strategic position of Burma, which shares a more than 2,000 km-long border with Yunnan, the main idea for the Chinese policy-thinkers was the opening up of this landlocked province southward, benefiting from the logics of geography.<sup>3</sup>

Thus, developing a trade corridor running from Kunming to the Indian Ocean, logically following southward the Irrawaddy plains and delta was the primary task to take up for both Beijing and Kunming authorities. That was nothing new, as old trade routes have already been in place there for centuries linking China and the Bengal/Assamese region, and quite coherent given the geopolitics of a Burmese strategic field organised since the British colonial era according to a north-south axis. Hence, the Chinese strategic plans to build—or rebuild—continental and maritime infrastructures in Burma (along with the ones in Yunnan and Sichuan proper). When a new Burmese military regime, SLORC, came to power in 1988, dropping the autarkical ideology and policy orientation of the previous Ne Winian regime to open up its economy, China took up the opportunity. Indeed, when gradually opening up its borders and cautiously liberalising its still underdeveloped economy from the late 1980s, Burma offered to its neighbours, starting with China, vast and underexploited natural resources and a credible market of more than forty million people eager to find new Chinese- or Thai-made products (Tin Maung Maung Than, 2003).

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<sup>3</sup> The first official outline of the Chinese strategy was published in 1985, while Burma was still ruled by the autarkical and sinophobic military regime of General Ne Win: Pan Qi, “Opening the Southwest: An Expert Opinion”, *Beijing Review*, 28:35 (September 2, 1985), pp. 22–23

A crucial prospect for a booming Yunnan, which could from then on benefit from this economic outlet at its very doorstep, was the creation of a trade corridor from Yunnan to the Indian Ocean through Burma which also proved to be of strategic importance for Beijing. China's agenda in Burma indeed had also a diplomatic and military facet. For Beijing it obviously became essential to be able to benefit from a credible leverage in a country which soon became ostracised by the international community (in the years 1988–90)—especially by India and the West (Malik, 1997). Potentially finding there a gateway to the Indian Ocean and a secure and permanent access to this crucial maritime area (with the new global ambitions of the Chinese navy), being able to exert a new kind of political and military pressure on India on its eastern flank (both through the northeast region and the Indian Ocean) bear out to be also an element the Chinese took into account when making their new policy choices toward Burma (Singh, 1995). With regard to the latest Sino-Indian border clashes<sup>4</sup> and diplomatic tensions which occurred in 1986–87, this Chinese strategic goal appeared consistent (Mehra, 2007).

Consequently, with the (re)construction of Burmese infrastructure, the enhancement of bilateral trade, new Chinese—more specifically Yunnanese—investments through the development of new networks in upper Burma, a strengthened military cooperation starting with the sales of abundant weaponry to a growing Burmese Armed Forces (Tatmadaw), and with regular mutual diplomatic support on the international scene, the Chinese approach toward Burma from 1988 clearly emerged as a multifaceted policy, which ever since has showed a remarkable continuity. There India found its first source of concerns from the early 1990s.

### **The Indian Response: Power Balance and the Realist Counterbalance Game since the Mid-1990s**

India first adopted a clear support to the Burmese democracy movement in 1988 following the student uprising to which Aung San Suu Kyi gradually clung on to (Mishra, 1989), while China was on the opposite promptly establishing a much closer relationship with the new Burmese military rulers.<sup>5</sup> India's position was visibly influenced by the ethical approach of Indian intellectual and political leaders that felt themselves close to Aung San Suu Kyi's rising democratic struggle, as soon as the daughter of Burma's independence hero came to light.

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<sup>4</sup> Salamat Ali, "Tension on the border", *Far Eastern Economic Review*, May 7, 1987, pp. 33–35.

<sup>5</sup> Bertil Lintner, "Different Strokes – Divergent reactions to Rangoon's instability", *Far Eastern Economic Review*, February 23, 1989.

Those pro-democracy Indian circles included Rajiv Gandhi, the former Indian prime minister (1984–89) who had visited Burma in December 1987,<sup>6</sup> and many Indian activists, left-wing members of Parliament, civil rights militants, and academics. Two pro-democratic Indian ambassadors—I.P. Singh (1986–89) and P.M.S. Malik (1990–92)—had also been posted to Rangoon in those troubled Burmese times and deliberately took public positions against the new military junta, the 1988 crackdown and denounced Aung San Suu Kyi's first house arrest which began in July 1989.<sup>7</sup> Nevertheless, by the early 1990s, it appeared far more obvious for India that the new junta was there to stay—having crushed the democratic movement inside the country—and rumours began to flow among intelligence, journalistic, and academic circles about the gradual sliding of the country into the Chinese strategic orbit.<sup>8</sup>

Indeed, India's security circles (the army, the navy, but also the security people in the northeast) were the first to ring the bell, slowly denouncing the pro-democracy stance first adopted by New Delhi.<sup>9</sup> For them, the fact that China has swiftly been selling new weapons to Burma, and soon became a crucial supplier of small arms, ammunitions, vehicles, and naval ships of the Burmese Armed Forces, consequently meant that a stronger Burmese army—after years of isolation—could become a new military threatening power at India's very doorstep. If India's official statements kept on criticising Burma's new military leadership while vocally supporting Aung San Suu Kyi's iconic opposition, risks of seeing the Burmese junta opening its doors to a rising—and rival—China became higher. Also, given the extreme sensitivity of the strategic Indian northeast for New Delhi—including the Arunachal Pradesh State partly claimed by China and the focus on the 1987 Sino-Indian border armed skirmishes—Burma would too have no qualms in fostering instability there by turning a blind eye on the trafficking activities and sheltering opportunities of anti-Indian rebel groups deep down in the Burmese jungles. India indeed feared the old connections between Chinese intelligence and those anti-Indian insurgents (the Nagas, the Assamese, and a

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<sup>6</sup> *Working People's Daily* (Rangoon), December 16, 1987.

<sup>7</sup> Author's discussion with Amb. Preet M.S. Malik, New Delhi, April 19, 2007.

<sup>8</sup> Bertil Lintner, "Oiling the Iron Fist – Armed Forces receive large quantities of new weapons", *Far Eastern Economic Review*, December 6, 1990; Robert Karniol, "New base is boost to naval power", *Jane's Defence Weekly*, September 12, 1992, p. 31; Tai Ming Cheung, "Smoke Signals – China and India to develop military relations", *Far Eastern Economic Review*, November 12, 1992, p. 29; Bertil Lintner, "Rangoon's Rubicon: Infrastructure Aid Tightens Peking's Control", *Far Eastern Economic Review*, February 11, 1993, p. 28; Bertil Lintner, "Chinese arms bolster Burmese forces", *Jane's Defence Weekly*, November 27, 1993, p. 11; Bertil Lintner, "Arms for Eyes – Military Sales Raise China's Profile in Bay of Bengal : China's Sales to Burma", *Far Eastern Economic Review*, December 16, 1993, p. 26.

<sup>9</sup> Dinesh Kumar, "Sino-Myanmar ties irk Delhi", *The Times of India*, November 20, 1992.



few other Maoist or non-Maoist rebel groups) to be revived, despite the official declarations made by Beijing back in 1979 (Stobdan, 1993; Ghoshal, 1994).

Moreover, the Chinese thrust through Burma where it had been kept at bay since the violent sinophobic experience of the 1960s, was rapidly perceived by India as a threat comparable to that offered by the Sino-Pakistani partnership on India's western flank. With the asserted building of infrastructure throughout Burma—both commercial and military (naval)—China became in position to divert and control the Burmese economic potential according to the north-south corridor, with the Burmese natural resources going northward, and the Chinese cheap products flooding southward. It also appeared to have gained a secure access to unexploited Burmese natural resources, with an India still off the game while needing too those resources available at its very doorstep (Malik, 1994; Bhanu Singh, 1995). Finally Beijing seemed, just after a few years of a new Sino-Burmese partnership, in position to build new military marches along the Burmese coast.<sup>10</sup> With the rumours on the construction of monitoring facilities, a vast surveillance network, and new military ports by China there in the early 1990s, global threat perceptions of Burma gradually becoming a Chinese “pawn”, or merely another Chinese province as the wide literature of the early 1990s proves, urged the Indian policymakers to review their approach to the Chinese challenge in Burma (Selth, 1996; Banerjee, 1996; Singh, 1997).

The policy shift came in 1992–93 (Egreteau, 2003), with India taking up the lead and gradually building up a new engagement policy with the Burmese rulers, once General Than Shwe took control of the junta in April 1992, and a new Indian ambassador—G. Parthasarathy—had replaced the warmonger P.M.S. Malik.<sup>11</sup> New Delhi put an end to its vocal criticism of the Burmese junta as well as its blind support to Aung San Suu Kyi's democratic struggle, while slowly backing away from the Burmese militancy in exile. India thus became far more cautious and discreet in its diplomatic approach to the Burmese conundrum and “no meddling in internal affairs” turned then to be the leading mantra of the Indo-Burmese relations,<sup>12</sup> as fifteen years after the latest careful declarations of the Indian vice-president—visiting Burma in February 2009—still illustrate.<sup>13</sup>

The first matter of concern for New Delhi was clearly its northeast. New military cooperation from a strengthened Burmese army to crack down on the

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<sup>10</sup> William Ashton, “Chinese naval base : many rumours, few facts”, *Asia-Pacific Defence Reporter*, June-July 1993, p. 25; William Ashton, “Chinese Bases in Burma : Fact or Fiction?”, *Jane's Intelligence Review*, vol. 7, no. 2, February 1995, pp. 84–87; and above all the rigorously-conducted work of Andrew Selth, 2007.

<sup>11</sup> Author's discussion with G. Parthasarathy, New Delhi, November 21, 2002.

<sup>12</sup> Rita Manchanda, “Reasons of State”, *Far Eastern Economic Review*, May 6, 1993, p. 12.

<sup>13</sup> Press Trust of India, *Hamid Ansari meets head of Myanmar's military junta*, February 6, 2009.

anti-Indian insurgents outfits that had long established underground networks of mobile camps and trafficking routes on Burmese territory were sought by Indian army circles (Egreteau, 2006). From 1993, collaboration in border surveillance, exchange of intelligence, high-level talks, and joint-military operations aimed at tackling the illicit activities of those Nagas, Assamese, Manipuri, and Tripuri armed groups were set up. India gradually showed its willingness to see the Burmese Armed Forces taking more initiatives in the region, stressing the fact that they were fighting the same “terrorist” activities, with for instance the Nagas (from the Khaplang faction of the National Socialist Council of Nagaland—NSCN-K) who have too developed an anti-Burma stance from the late 1940s. By getting closer to the Burmese, India also intended to keep China at bay and its possible inclination to support the northeast rebel outfits.

Second were the economic and commercial dimensions. To take up the Chinese economic challenge in Burma, India opted to follow the same kind of trade and investment policy. After the 1994 trade agreement signed between Rangoon and Delhi and the opening of the Tamu/Moreh cross-border point the year after, strategic investments for the construction of roads (such as the 160 km-long Tamu-Kalewa portion), ports (Sittwe), power plants (in the Sagaing Division), and factories (around Rangoon for instance) were programmed by India to create a new Indian sphere of influence in western Burma. Finally, taking position on the still unexploited Burmese hydrocarbon market became one of the most obvious objectives of an India whose energy needs were exponentially growing (Lall, 2006). To checkmate it, Delhi was clearly imitating China’s overall agenda from its borders.

Third, the establishment of a credible diplomatic partnership between India and Burma was thought out both to bring Burma into New Delhi’s emerging “Look East Policy” (initiated in 1991) and to balance China’s regional ambitions through ASEAN or the Greater Mekong Subregion Project (Batabyal, 2006). Regional organisations such as the BIMST-EC (1997) or the MGC (2000) beside the India-ASEAN Summit (first one held in 2002) and the ARF dialogue enabled India to get closer to a Burmese regime now welcomed in the regional diplomatic scene. The Kunming Initiative (or BCIM, launched in 1999) presented the originality of gathering India, China, and Burma (plus Bangladesh) in the same organisation, but the Indians proved to be reluctant to fully participate in the sponsorship of this peculiar forum, given the transnational sensitivity of the region (and the Chinese lead in the organisation).<sup>14</sup>

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<sup>14</sup> Author’s discussions with several Indian diplomats and academics involved in the successive meetings of the BCIM (2002–2006).

Finally, cultural friendship was also fostered between India and Burma, mainly through the promotion of Buddhist linkages and educational cooperation, in order to present India as a seductive destination to turn to for Burmese (future) leaders: students and monks but also military officers who are offered scholarships to be trained in Indian best academies.<sup>15</sup>

### **The Disillusionment: Why is India Still Lagging Behind China in Burma?**

However, after fifteen years, disillusion became obvious among Indian leaders, though most of the influential policymakers in New Delhi or Rangoon were not figuring out any policy change in the near future. At least a reappraisal of reasonable strategic objectives might be underway in the South Block. True, India is today in a far better position than during Ne Win's autarkical times: it can indeed count on a USD1 billion bilateral trade with Burma. This highly symbolic figure was (almost) reached during the 2007–08 fiscal year according to Burmese and Indian official sources.<sup>16</sup> India enjoys cordial diplomatic relations with the Burmese generals in place since 1988, and who do not pose any serious and direct threat perceptions to India, as far as their global military interactions are concerned in the 2000s' strategic context. Burma has indeed not openly fuelled insurgency in the northeast for the past two decades (though not contributed to its termination as we will argue hereafter), has offered many of its resources to India along its borders, and has established closed military-to-military contacts with the Indian army, air force, and navy.

Nevertheless, India is still lagging behind not only in comparison to China (with a USD2.6 billion bilateral trade with Burma), but also to Thailand (between USD2 and USD3 billion bilateral trade every year with its western neighbour for the past decade), or even Singapore in terms of economic presence. Russia too is thought as a more serious diplomatic partner of the Burmese regime on the international scene; Korea has a more valuable commercial partnership; and Japan still remains a crucial humanitarian partner. What are India's most obvious constraints in achieving its strategic objectives planned in the mid-1990's?

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<sup>15</sup> Author's discussions with Indian officials in charge of cultural and educational India-Burma cooperation, Mandalay (March 6, 2007) and Rangoon (November 8, 2007).

<sup>16</sup> The reliability of Burmese state statistics is debatable. However, the Indian trade authorities do use the same figures for 2007–08: USD995.37 (USD809.94 million worth imports from Burma—excluding Oil & Gas revenues—and USD185.43 million worth imports), see <http://commerce.nic.in/eidb/iecnt.asp>.

## 1. Geopolitical Considerations

A first reason, which might not be that evident for policymakers looking at a global map of the region, is that Burma does offer a far better geographical setting to China (in the north) than to India (to the west) in their respective thrust southward and eastward. Though trade routes have in the past linked Yunnan and Assam and the Brahmaputra Valley, it is indeed far more difficult to develop an east-west corridor through Burma, rather than a north-south corridor given the opportunities tendered by the Irrawaddy plains running from the Himalayas down to the Indian Ocean. If we observe the strategic options chosen by the British during the colonial era when they exploited the Burmese province from their Indian empire (1824–1948), very few roads linked the Bengal presidency to Burma. Neither any railway system had been built between the Assam railway corridor (which ended at Ledo) and the north-south Myitkyina-Mandalay-Rangoun crucial axis, despite Burma on one side and the Bengal/Assam area on the other being two critical regions for the growth of the British empire. Maritime links to/from the Burmese ports (Akyab, Sandoway, Rangoon/Monkey Point, Moulmein, Tavoy, Mergui) were instead favoured, as it was from the sea that the British first conquered and then made the most of Burma. The Burmese had then to wait till the late 1930s—and the Sino-Japanese war raging in Central China—to see the first construction of the “Ledo Road” between northeastern Assam and the northern parts of the Burmese Kachin State. However, the road which became essential to the Allies during the Second World War (then renamed “Stilwell Road” after General Joseph Stilwell who secured its reconstruction) was soon to be abandoned by 1946–47 with the Burmese civil war sparking before the Independence (Nath, 2004).

Still, Burma remains today organised according to this historical Irrawaddy river/corridor running from China to the south of the country, along the roads, waterways, and railways built over past decades. It remains potentially wide open to various ports along the Burmese coastline, but not according to the Assam-Thailand corridor, far more awkward to promote given both the geographical obstacles (dense mountains, deep jungles, lack of recent historical connections) and political ones (insurgency, ethnic-dominated off-limits areas, etc.). Plans to build up a TransAsia highway linking India and Southeast Asia/China through Burma and the northeast of India are still sponsored by international academics, diplomats, and development agencies, but being such a tremendous task, the project is still at a very early stage.<sup>17</sup> One also has to notice that whatever the

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<sup>17</sup> Wasbir Hussain, “India’s Northeast: The Super-highway to Southeast Asia?” *IPCS Issue Brief* no. 105, June 2009.

political regime in place in Rangoon (or Naypyidaw), whatever the policy options chosen by New Delhi or Beijing in Burma and whatever the orientation of Burma's economy is in the near future, China will remain far more influential in northern Burma than India could be in western Burma. Logics of geography here prevail. New Delhi has indeed to take into account that even with the advent of a democratic Burma, China will still be in a far more advantageous geographical position than India, and thus be a stronger economic partner of the Burmese. In defining this new ambition of transforming Burma into a continental gateway to Southeast Asia linked in the northeast to Thailand, India has thus underestimated the geopolitical barriers (not impassable though) of the Indo-Burmese almost off-limits areas (EgretEAU, 2008b).

## **2. Divergences between the Centre (New Delhi) and the Periphery (NE)**

Second, it has been a key issue for New Delhi in recent years: the hesitations and divisions witnessed in India itself regarding the approach to be defined toward Burma. At the core of those internal divergences lies the crucial question of the role of the northeast in this Burma policy. India has indeed to solve—as it is still highly debated among various circles of the vibrant Indian civil society and policymaking elite—its northeast quagmire in order to be in position to achieve more efficient conduct in its thrust eastwards through Burma. As long as New Delhi cannot figure out how to deal with the northeast instability, its transnational insurgency, its border dispute with China in Arunachal Pradesh (McMahon Line), its potential economic development with or without closer commercial interactions with Burma, and its marginalisation from the mainland, India will not be able to fully achieve its ambitions in western Burma.

India has indeed to solve this essential question of opening up its northeast or still maintaining the lid on the political mess of the region. This protracted debate still divides Indian policymakers, academic, security, and business communities. On one side a great majority of the northeast business and intellectual circles are favouring an opening up of the northeast towards Burma and Southeast Asia<sup>18</sup> (so as to counterweight the Delhi-led policies in the northeast proper), a revival of the Stilwell Road to connect China and the furthering of the NH39 up to Mandalay.<sup>19</sup> On the other side—portraying a pure realist assessment of the

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<sup>18</sup> See for instance in the early 2000s: C. Raja Mohan, "East, by Northeast", *The Hindu*, April 6, 2002; and Sanjib Baruah, "Look East, but via the North-East", *The Indian Express*, December 12, 2003.

<sup>19</sup> Bibhu Prasad Routray, "Linking India's Northeast and Southeast Asia: Security Implications", *IPCS Issue Brief* no. 104, June 2009.

geopolitical situation in the region—most of New Delhi and Calcutta’s army, intelligence, and security circles as well as a few still influential elements of a “sinophobic” Indian political elite militates against a socio-economic opening up of the region that would mean an opening of the northeast strategic doors to the neighbours, starting with a “hawkish” China.<sup>20</sup> They would indeed rather keep the northeast under control (i.e. with added military forces), in order to keep at bay the main threatening force of the region, China. Indeed, Chinese presumed or asserted ambitions are key elements of the northeast security (and not solely Burma or Bangladesh), and the border skirmishes along the McMahon Line during the summer of 2009 once again proved the strategic sensitivity of the area.<sup>21</sup>

With regard to Burma, India has been seeking a Burmese helping hand for its military solution of the northeast instability as well as buffer position in front of the Chinese thrust (Egreteau, 2008a). The Indian Army has indeed been pushing for the past decade for closer military cooperation with its Burmese counterpart both to crush insurgency and checkmate Chinese temptations to set up another toehold southward, but New Delhi is now increasingly realising the difficulties of establishing such a viable collaboration with Burma (Nardi, 2008). Given the oversensitivity of the Burmese top leadership wishing to keep various diplomatic bargaining chips towards India (and other neighbours, see Egreteau & Jagan, 2008) and local Burmese authorities being far more corrupted and connected to anti-Indian armed outfits (Naga, Assamese, or Manipuri insurgents), the Indian intelligence is now caught between the necessity to still cultivate the Burmese junta (that has all the chance to remain in control of the Burmese polity in the years to come) and the regular frustration of seeing every joint Indo-Burmese operations rarely reaching their objectives in the northeast since the first one conducted in 1995 (Egreteau, 2006, pp. 120–134). As a consequence, failing to properly address these crucial issues in the northeast will undermine India in its continental ambitions eastwards.<sup>22</sup>

### 3. Hesitant Commercial and Economic Choices

Another point where India has not met its objectives, or at least not as much as expected a decade ago, is the economic partnership it purported to build with the Burmese. India faced all the difficulties in reaching the figure of USD1 billion bilateral trade in 2008 (the target was announced in 2003). This is not much

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<sup>20</sup> G. Parthasarathy, “The Looming Threat”, *The Pioneer*, August 20, 2009; and *The Times of India*, “MEA, Army react differently over Chinese incursions”, September 7, 2009.

<sup>21</sup> *The Times of India*, “New N-E division with an eye on China?”, September 11, 2009.

<sup>22</sup> *The Asian Age*, “Northeast vanishing from PM’s ‘Look East Policy’”, September 21, 2009.

considering the USD2.6 billion Sino-Burmese trade, the USD3.2 billion Indo-Bangladeshi commercial exchanges, or more obviously the USD51 billion Sino-Indian trade hit the same year.<sup>23</sup>

India has actually focussed on very few key economic sectors in Burma (such as the pharmaceuticals<sup>24</sup> and agriculture, two sectors in which it has an evident lead since the late 1990s<sup>25</sup>), but has not developed a wide range of commercial activities compared to its other Asian rivals—Thailand, Korea, Singapore, Malaysia, and of course China, which are far more diversified in their economic approaches of the Burmese “boon”.<sup>26</sup> India has planned only a few infrastructures projects, far less than Chinese and Yunnanese companies involved in many roads, bridges, factories, or power plants constructions. Indian companies have thus been dealing with contracts of only few million US dollars each time (which is however considerable given the poor state of Burma’s economy, but it still remains a low-key investment strategy from India). Only key economic stakes have been the focus of New Delhi since the late 1990s: the 160 km-long Tamu/Kalewa road and a few power plants in the Sagaing Division (including the Tamanthi and Shwzay hydro project in the Chindwin River Valley), the upgrading of the Mandalay/Rangoon railways, Sittwe’s Kaladan River port and Arakan natural gas exploitation (Egreteau 2003; Yhome, 2008).

It appears not to be only a question of financing the projects (roads, railways, river ports), but it essentially reflects a lack of political will on the Indian side given the hesitations and divisions mentioned above, along with the difficulties in getting access to the Burmese top leadership, and the overcautious policy defined by Delhi. In October 2008, a crucial meeting between the Burmese prime minister General Thein Sein and Jairam Ramesh, India’s minister of state for commerce, industry and power (and a vibrant defender of the northeast opening up cause) took place, where they pledged for further border commercial interaction to balance New Delhi’s disappointment for being unable to secure a key hydrocarbon project in Burma.<sup>27</sup> The Arakan offshore natural gas India had decided to exploit from the early 2000s<sup>28</sup> had indeed been chosen to be exported to Yunnan through the Chinese state-controlled oil firm CNPC. Once China got

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<sup>23</sup> Source: Indian Department of Commerce, Export-Import Data Bank available online at <http://commerce.nic.in/eidb/iecnt.asp>

<sup>24</sup> *Xinhua*, “Asian pharmaceutical products dominate Myanmar market”, March 31, 2009.

<sup>25</sup> Author’s interviews, *India-Myanmar Business Club*, Rangoon (January 27, 2005) and Embassy of India, Rangoon (January 28, 2005).

<sup>26</sup> *Xinhua*, “Myanmar foreign trade hits over \$11 bln in 2008”, March 22, 2009.

<sup>27</sup> *The Hindu*, “Niche role for India in ties with Myanmar”, October 19, 2008.

<sup>28</sup> Through two Indian state-controlled companies, ONGC-Videsh and GAIL, along with two other Korean Oil companies, Daewoo and Korea Gas.

the upper hand in this issue, and with the blueprint for Kyaukphyu's pipeline between Ramree Island and Yunnan almost settled with the Burmese authorities, the state-controlled Indian oil companies (ONGC-V and GAIL) entered into strong introspection on whether or not to back away from the consortium they had joined a few years ago (A-1 and A-3 projects off the Arakan coast).<sup>29</sup>

Lastly, hesitancy and specialised economic initiatives decided in New Delhi, as well as a persistent recourse to Indian businessmen mainly based only in Singapore, Kuala Lumpur, or Bangkok,<sup>30</sup> or to Burmese of Indian origin far less connected to Burma's new economic networks compared to fifty years ago when they dominated the lion's share of colonial Burma's economy, have also led to India losing ground on the Burmese economic field.

#### **4. Underestimation of the Xenophobic Dimension in Burma**

Indeed, another issue, which has been underestimated in the past years, is the influence of historical legacies and the negative perceptions of Indian communities—and thus India as a whole—in regard to Burma. It remains extremely difficult globally for all foreigners but more specifically for people of Indian origin (businessmen, diplomats, academic, etc.) to enter a still xenophobic Burmese society, to get access to the ultranationalist Burmese military leadership which still controls the lion's share of the country's economy despite the liberalisation policies initiated from 1988, once the autarkical “Burmese Way to Socialism” had been dropped (Alamgir, 2008; Egreteau & Jagan, 2008). Bruised by the colonial experience during which Indian communities have developed strong linkages, wide financial networks and participated in the ruling and exploitation of the Burmese province to the detriment of indigenous communities (Chakravarti, 1971; Adas, 1974), Burma remains a difficult place to settle or to be in a position to exert wide influence and easily develop trade connections by anyone of Indian origin.<sup>31</sup>

In terms of a strategic perspective, India is not as welcomed as most of the Indian thinkers may have figured out, especially in their China's counterbalance strategy. The logic indeed would command a “sinophobic” Burma—as described earlier in the 1990s—to turn toward India, the other neighbouring power of the region (Mya Maung 1994; Singh, 1997). In 2004, the abundant literature

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<sup>29</sup> Recent developments showed India was still keen on staying and furthering its oil & gas investments in Arakan: *Mizzima News*, “Daewoo led consortium to invest US\$ 3 billion in Burma”, July 14, 2009.

<sup>30</sup> Author's discussion with Naresh Kumar Dinodiya, president of the Indians of Myanmar Association, Rangoon, January 25, 2005.

<sup>31</sup> Author's various discussions with Burmese of Indian origin, in and around Burma during his past years' research.



regarding India's strategic opportunities after the sacking of General Khin Nyunt—once perceived as pro-Chinese—further illustrated the misperceptions and miscalculations of Indian Burma watchers.<sup>32</sup> Many Indian strategists enthusiastically welcomed the Burmese junta's internal watershed and encouraged the cultivation of closer links with the so-called "pro-India faction" which was supposed to be led by General Maung Aye, benefiting from the purge of many "pro-China" elements of the junta, starting with Khin Nyunt himself (Malik, 2005). But far from being materialised, that was wishful thinking, as the "kalas"—a deep-rooted derogatory term designating the Indians in Burmese language (and foreigners in general)—are in fact still negatively represented in the Burmese psyche, including at the highest level. For instance, though difficult to assess, it remains indeed extremely problematical for Burmese of Indian origin to move up through the Burmese military hierarchy. The Chinese too are negatively perceived, but at a very different level, for they are the "paukphaw", the "older"—though annoying—"brother" who has to be accommodated...

The xenophobic and nationalist dimension of an isolationist Burmese leadership might help us understanding why the Indians are walking on eggs in Burma, although it remains difficult to systematically illustrate this argument with scientific proofs (EgretEAU 2008b, p. 954). But in the past years during most the author's fieldwork in Burma, many Burmese, especially within the business community, have expressed these awkward perceptions they still have of their Indian counterparts and told—with some irony one should confess—that "the Kalas were coming back" in Burma, leading to some embarrassment. Parts of the Indian elite seem aware of these difficulties linked to historical and cultural legacies, especially within the diplomatic and intelligence circles, but far less in the academic, militant, and business ones.<sup>33</sup>

## **The Way Forward: Checkmating or Cooperating with China in Burma? New Options for India**

Globally, as argued earlier in this article, India has first to solve one critical issue if it wants to get back a credible foothold in Burma: should it bind itself to the already viable north-south corridor around which Burma is territorially and valuably organised (and which is and will logically be dominated by China

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<sup>32</sup> Sudha Ramachandra, "Myanmar power play leaves India smiling", *Asia Times*, October 21, 2004; and C.S. Kuppuswamy, "Myanmar: the shake-up and the fall out", *South Asia Analysis Group Paper* no. 1161, November 9, 2004.

<sup>33</sup> Author's interviews: Embassy of India, Rangoon (November 2007 and February 2008) and Consulate-General of India, Mandalay (March 2007).

in the near future)? Alternatively, would it be a better option for New Delhi to attempt checkmating this Yunnan-oriented commercial and strategic axis with an east-west corridor far more controlled by India and its northeast, then thought as a gateway and not a buffer zone anymore? At the core of this dilemma lies indeed New Delhi's perceptions of the stability and development potential of its northeast, yet loaded with insecurity and contentious issues. Should the northeast be opened to Burma and thus Yunnan or Southeast Asia, or should it remain the strategic frontier against the expansion of China? Besides, should there be a politico-military solution to this internal quagmire for India, or a transnational socio-economic one? On the other hand, a mix of both, as every Indian skilful diplomat or policymaker would suggest, this third option being far from convincing in terms of practical results?

To get a viable economic toehold in Burma, given the logics of geography and the lessons of history, the best strategic option for India is to further (or simply revive) the maritime connections it once had with the Burmese British province. Far cheaper, more convenient, and easier to control thanks to the supremacy of the Indian Navy in the Bay of Bengal, the sea lanes between Indian and Burmese ports are less risky to secure than the continental option through the northeast. The commercial opportunities offered by new linkages built up along the Burmese coastline (the ports of Sittwe, Arakan, and Dawei/Tavoy in the Tenasserim Division are the first strategic targets of the Indian business community) toward the rest of Southeast Asia or Yunnan are indeed a far more feasible option.<sup>34</sup> India has thus been clearly pushing for the achievement of its USD103 million Kaladan Multi-Modal Transport Project near Sittwe for the past five years.<sup>35</sup> However, Sittwe's project is a relatively low-key one that will offer only limited opportunities to India as it is merely directed to the small state of Mizoram. The development of Dawei (formerly Tavoy), close to the Thai border, remains in India's agenda, but again, Delhi is facing difficulties in gaining a clear signal from the Burmese government; also it is part of a BIMST-EC development programme.<sup>36</sup>

In addition, developing other commercial options within Burma is important if India wants to acquire more advantage there. It should not only focus on agriculture or pharmaceuticals (sectors in which it has an undisputable lead) but should also widen its development and trade projects in more diversified

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<sup>34</sup> Author's interview with H.E. Rajiv K. Bhatia, ambassador of India to Burma (2002–2005), Rangoon, May 10, 2004.

<sup>35</sup> On April 2, 2008 was signed in New Delhi the Framework Agreement between the Indian and Burmese foreign ministers; copy available online at <http://www.iwai.nic.in/nit/Frameworkagreement.pdf>

<sup>36</sup> *The Irrawaddy On-Line*, "Burma's Neighbors line up for three port deals", April 24, 2008.

activities, and this beyond the border areas and Rangoon. For this, it should not merely rely on the Indian so-called “diaspora” in Burma and/or the Indo-Burmese community, but also on other Burmese connections. It is a quite logical temptation to lean on the Burmese of Indian origin or diaspora, but they are today controlling few sectors (not state-controlled ones) and are still patronised in Burma—though it remains difficult for the academic to prove that this has a direct link with any important political or economic decision taken in Burma. For instance, has the fact that the main Indian negotiator for energy deals in Rangoon used to belong to one of the richest Indo-Burmese families of Rangoon (which fled after Ne Win’s coup but recently came back) had any impact on the rebuff New Delhi faced in the past years regarding the Arakan natural gas and pipeline?<sup>37</sup> Following the same idea, paving the way for more cultural exchanges (and not relying only on Buddhism or Bollywood movies to do so) between India and Burma would certainly lessen the still visible “indophobia” developed by the Burmese society.<sup>38</sup>

Further, India has a vibrant, dynamic, and outspoken civil society. Fostering the capacities of Burma’s own emerging civil society, improving educational opportunities, and supporting and training Burmese NGOs in a much wider scale (which is amazingly not currently done by India—or through an extremely low-key involvement, especially in the northeast—compared to the Thai-Burma borders for instance), would help India be in a better position, and not only towards the military regime. The signature of a key bilateral agreement in IT cooperation in 2003 participated to develop Burma’s technological and computer learning skills which further led to the opening of an India-Myanmar Centre for Enhancement of IT Skills (IMCEITS) in October 2008. This was officially opened by the newly posted Indian ambassador to Rangoon, with India offering to train 500 Burmese students yearly.<sup>39</sup> Of course this policy options could also be a blueprint for Western governments, yet still highly hesitant to fully invest in such solutions in Burma—including the educational ones—echoing the strong Western public opinion advocating for an ostracised Burma.

Interestingly enough, a new Indian policy shift—i.e., to revert back to the old systematic opposition to the Burmese junta, and a full and open support to the democratic struggle of the NLD and Aung San Suu Kyi as it was done in the late 1980s, and as it is still strongly advocated by Indian pro-democracy activists or Burmese exiled groups—would most probably be far more detrimental to

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<sup>37</sup> Author’s discussion with Mak Patel (consultant for the Indian Ministry of Energy in Rangoon, representative of GAIL in Burma), Rangoon, March 7, 2006.

<sup>38</sup> Author’s discussion with the consul-general of India to Mandalay, Burma, March 6, 2007.

<sup>39</sup> See the official statement regarding the MoU and opening ceremony organised by the Indian Embassy in Rangoon: <http://www.indiaembassy.net.mm/whatnews/ITSkill.asp>.

India's interests than a reassessment of the current policy. Given the options for a political transition in Burma, New Delhi cannot lean only on the civil opposition led by Aung San Suu Kyi whose house arrest remains a considerable constraint for the opposition. Waiting for the military regime to collapse due to internal divisions or effective contest of political power by the civil opposition—as schematically as the Western governments seem to be doing—has thus been ruled out by New Delhi. India cannot afford isolating Burma in such manner, though a cordial neglect appears to be at hand like the mantra polity followed by Indira Gandhi and General Ne Win during the 1970s and 1980s.

Finally, Indian influential security circles should stop “seeing red” everywhere, and should cease bolstering the argument of a direct and immediate “Chinese Threat” to India through Burma. Truly China is developing faster than India—including militarily—and has a potentially aggressive strategic agenda in Southeast Asia given its power ambitions. However, as far as Burma is concerned, this author belongs to a rather less hawkish school that put forward the Burmese nationalistic and isolationist resistance capacities. China is not controlling Burma at its will and its regime as often perceived by the outside world. Burma is not merely a “puppet” nor a “pawn” of Beijing, otherwise the country would have changed drastically in the past years, given the Chinese frustration and difficulties in understanding the Burmese regime and society. This over-influence of the “anti-China” posture in New Delhi’s policymakers’ circles is a constraint for India. India should also acknowledge that it has nevertheless, gained a lot of assurance in those matters in Burma in the past years, with Indian navy ships being able to make ports call in most of the Burmese harbours (including the Chinese-built Thilawa port, south of Rangoon), the Indian Army understanding the fallacies of the huge surveillance network and naval bases reportedly built by the Chinese, and eventually the Burmese Army having diversified its external connections (Pakistan, Russia, Singapore, and North Korea somehow...) so as not to rely only on Beijing (Selth, 2007; Egreteau & Jagan, 2008).

There are still strong misinterpretations of the Chinese abilities in Burma as well as the logical tendencies of the Burmese turning towards India to balance the Chinese influence. The isolationist, xenophobic, and nationalist mantras of the Burmese are often overlooked. There is a common perception in the Western world, and in Asia as well, that India and China can influence the country’s leadership and society at will, even to the point of exerting pressure to instil socio-political changes inside the country. No matter how many declarations the EU, various UN agencies, the US, and even ASEAN put forward regarding the crucial role of India and China here, it will recapitulate to be highly overestimated. New Delhi realises it has been losing ground while on its side

Beijing still fears unpredictable instability along the Yunnanese borders (with the Kachins, the Was, and the Kokaung militias being in position to act as more than a simple buffer, as the tensions in August and September 2009 proved).<sup>40</sup> Burma will remain wary of all its neighbours' strategic ambitions, starting with India and China, thus skilfully restraining their influence inside the country. As Burma's last democratically elected prime minister U Nu (1907–1995) once stated: "Take a glance at our geographic position...We are hemmed in like a tender gourd among the cactus" (September 5, 1950).<sup>41</sup> Still a very much accurate assessment.

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<sup>40</sup> Larry Jagan, *Border War Rattles China-Myanma Ties*, September 1, 2009.

<sup>41</sup> Quoted by Thomson, John S., "Burmese Neutralism", *Political Science Quarterly*, 72:2, June 1957, p. 266.

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# Chance or Challenge: Japan's Policies towards Myanmar in the Post-Cold War Era

*Bi Shihong*<sup>1</sup>

## Introduction

Myanmar is located in the joint part of Eastern Asia, Southeast Asia, and Southern Asia, and borders the Indian Ocean, thus giving it an important strategic position. The Japan-Myanmar relation has a long history. Although Myanmar helped Britain to repel Japan in the Second World War (WWII), it is with the assistance of Japan that Myanmar had won independence from the British colonial dominion. In 1941, the Burma Independence Army (BIA) was founded with the help of the Japanese army in Bangkok, Thailand. It fought together with the Japanese army against the British army. The Thirty Comrades,<sup>2</sup> the core leading group of the BIA in the charge of Aung San, were trained by the Japan spy agency “Minami Kikan” in Hainan, China. After WWII, especially after the independence of Myanmar, the Thirty Comrades were in control of Myanmar’s military and political power. Most of the Myanmar military leaders had either received Japanese military training or studied in Japanese military schools.<sup>3</sup> Therefore, Japan maintains a sound relationship with the Myanmar army leading

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<sup>1</sup> Bi Shihong, Associate Professor in the Institute of Southeast Asian Studies, Yunnan University, China.

<sup>2</sup> The list of Thirty Comrades: Thakin Aung San, Thakin Aye Maung, Thakin Aung Than, Thakin Tun Lwin, Thakin Kyaw Seing, Thakin Sen Mya, Thakin San Hiaing, Thakin Than Tin, Thakin Khin Maung U, Ko Saung, Thakin Soe, Thakin Hia Myaing, Thakin Shwe, Thakin Tun Ki, Thakin Tun Shein, Thakin Ba Gyan, Thakin n Shu Maung, Thakin Aung Thein, Thakin Hia Pe, Thakin Maung Maung, Thakin Hia Maung, Thakin Tun Shwe, Thakin Tin Aye, Thakin Than Nyunt, Thakin Saw Lwin, Thakin Ngwe, Thakin Tun Oke, Ko Hia, Thakin Thut, Thakin Than Tin. See (Japan) Tsunezo OHTA. *Studies on the Military and Political History of Myanmar and Japan* (Biruma Niokeru Nihon Gunseishi No Kenkyu), Tokyo: Yoshikawa Kohbunkan, 1967, p. 43.

<sup>3</sup> Teruko SAITO, “Japan’s Inconsistent Approach to Burma”, *Japan Quarterly*, vol. 39, January–March 1992, p. 24, quoted from Da-hua MO, “Myanmar Military Government’s External Relations”, *Issue and Research* (Taipei). vol. 36, no. 10, October 1997, p. 78.

groups, despite the fact that Japan was defeated in WWII.<sup>4</sup> Japan has a profound understanding about how beautiful and prolific Myanmar is. In addition, a number of Japanese soldiers died in Myanmar, which arouses an undesirable emotion about Myanmar in Japan.

After WWII, Japan took Myanmar as the platform to extend influence and force in Southeast Asia. For this reason, Japan tried to establish a special relationship with Myanmar through several kinds of means, such as war compensation, trade, direct investment, Official Development Assistance (ODA), and many other channels. In September 1954, Japan and Myanmar signed the Convention of War Compensation and Economic and Technological Cooperation. In the same year, a peace treaty was reached between Japan and Myanmar in November. One month later, the two countries established diplomatic relations. From then on, Japan paid \$200 million in war compensation as well as a total amount of ¥47.336 billion in other compensations to Myanmar. That contributed a lot to the restoration of the political and economic relations between Japan and Myanmar. Together, with the subsequent rapid rise of the Japanese economy, Myanmar has received a large amount of economic assistance from Japan. Japan has become Myanmar's largest donor and investor.<sup>5</sup>

In order to illustrate the Japan-Myanmar relationships and the development and changes of Japan's Myanmar policy, this article intends to recall the development of Japan-Myanmar relationships after the Cold War, and analyses Japan's policy towards Myanmar, therefore concluding with the factors that will affect Japan-Myanmar relations and forecasts Japan's future policy towards Myanmar.

## **I. The Development of Japan-Myanmar Relations in the Post-Cold War Era**

The Myanmar military government took office in September 1988. Japan expressed the hope that Myanmar should solve its domestic problems through peaceful means and Japan would only recognise the government as legal on the condition that the government was elected by its people. In January 1989, the Japanese government decided to suspend economic assistance to Myanmar. However, thirteen large Japanese companies, which had great interest in Myanmar,

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<sup>4</sup> For example, in recognition of the outstanding contribution made by Japanese, Myanmar's prime minister issued the highest medal "Aung San's Flag" medal to Keiji Suzuki and six other former Minami Kikan members in 1981.

<sup>5</sup> Bertil Lintner, "The Odd Couple", *Far Eastern Economic Review*, July 11, 1991, p. 39; Donald M. Seeking, "Japan's Aid Relations With Military Regimes in Burma, 1962-1991", *Asian Survey*, vol. 32, no. 3, March 1992, pp. 246-262.



continued to lobby the Japanese government to maintain the relationship with the current regime. Otherwise, Japanese companies would suffer great loss and lose their economic interest in Myanmar. Meanwhile, lots of former soldiers, officials, and councillors became the spokesmen for Myanmar's military government, which has also affected Japan's Myanmar policy. In February 1989, Japan recognised Myanmar's military government and resumed parts of its financial assistance. That made it the first country of the western camp to do that. In May 1990, Masaharu Kohno, a Japanese Foreign Affairs official, exculpated: "Can we view military governance as human rights repression? I'm not sure whether the situation of human rights violation in Myanmar is in such a wide range as it's reported by the West. National security should be its first priority, as Myanmar has not yet reached the stage of democracy."<sup>6</sup> Some clues of Japan's Myanmar policy can be seen from what he said.

In order to maintain the special relationship with Myanmar, Japan's policy changed gradually, although it also implemented sanctions on Myanmar in response to America's call. Japan expected to promote the democratisation process in Myanmar through maintaining "constructive contact" with Myanmar's military government.<sup>7</sup> On the one hand, it echoed America's request to sanction Myanmar; on the other hand, it resumed its investment and assistance in Myanmar. The Japanese government adopted a more tolerant policy towards Japanese private sector investment in Myanmar in order to keep contact with the Myanmar government. In fact, bilateral contacts between the two governments have never come to a complete halt. Faced with a declining domestic economic situation and external economic sanctions, the Myanmar military government yearned for economic assistance from Japan, the "Western democratic state", so as to alleviate the domestic economic pressures and find a way to improve the relations with Western countries.<sup>8</sup> Since then, Myanmar and Japan carried out a wide range of exchanges and cooperation in politics, economy, culture, education, academy and other fields. In addition, Japan played an active coordinating role between America and ASEAN. For instance, on 30 May 1997, ASEAN decided to exclude the pressure from Europe and the US, and to accept Myanmar's accession to the organisation. The Japanese government said that ASEAN's decision did not mean forgiveness to the Myanmar's military regime.<sup>9</sup> The Japanese government's attitude played a positive role in Myanmar's successful accession to ASEAN.

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<sup>6</sup> Bertil Lintner, "The Odd Couple", *Far Eastern Economic Review*, July 11, 1991, p. 41.

<sup>7</sup> (Japan) Yuki Akimoto, "Development and Human Rights in Myanmar, Environment Issue-from American NGO's Perspective" (*Biruma No Kaihatsu To Jinken Kankyo Mondai-Amerika No Ngo No Shiten*), *Journal on public affairs*, vol. 2, no. 1, June 2005, p. 10.

<sup>8</sup> (Singapore) *Lianhe Zaobao*, October 18, 2007.

<sup>9</sup> Xu Wansheng, *The Politics and Diplomacy of Japan*, Beijing: People's Press, 2006, p. 281.

In 1997, Japan decided to upgrade its economic relations with Myanmar. In this regard, Myanmar Trade Minister Tun Kyi expressed that if Myanmar could gain substantial external financial support, its economy would grow rapidly.<sup>10</sup> In 1998, Japan provided \$11 million in ODA and \$19.5 million in loans to repair the Yangon Airport. It undertook a series of industrial projects as well. In November 1999, Japanese Prime Minister Keizo Obuchi held a remarkable meeting with Myanmar's Senior General Than Shwe in Manila during the ASEAN+3 summit (10+3). The former Japanese prime minister Ryutaro Hashimoto paid a visit to Myanmar soon after the meeting. In 2000, Japan and Myanmar put forward their cooperation in economy, culture, public health, and anti-drug efforts. In early May, International Trade and Industrial Minister Takashi Fukaya participated in the ASEAN+3 Trade Ministers Conference held in Yangon. It was the first time that Japanese cabinet members paid a visit to Myanmar since 1988.<sup>11</sup> In June 2000, the Myanmar prime minister Khin Nyunt, together with a delegation, attended the funeral of Japanese former prime minister Keizo Obuchi and met Japanese prime minister Yoshihiro Mori and other dignitaries. With great efforts, Myanmar succeeded in lobbying the Japanese government to provide \$29 million to repair Myanmar hydropower stations and reduce more than \$10 million in debts in 2001, from Myanmar. Although Japan decided not to prolong its Yen loan to Myanmar as Myanmar failed to repay its loan in 2002, Japan resumed its ODA to Myanmar and announced to reduce \$1.215 billion of Myanmar's debts (more than one third of the total debts of \$3.312 billion) in the end of the year.<sup>12</sup>

In 2003, the Myanmar military government put the famous politician Aung San Suu Kyi under house arrest. In response, Japan substantially reduced its economic aid and assistance projects in Myanmar, but did not limit its non-interest Yen loans and technical training. Humanitarian emergency projects and human resources training programmes which aimed to promote Myanmar democratic construction and economic system reform, were still under work. In 2005, Japan agreed to provide Myanmar with \$11.2 million in free aid and another \$14.7 million in technical assistance, despite that it expressed concern on Myanmar's human rights condition. According to the released statistics of the Japanese Foreign Ministry (Table 2), Japan provided \$30.52 million in ODA to Myanmar in 2007. After years of efforts, Japan became Myanmar's largest donor and creditor nation. Except for the provision of assistance, Japan had a total of

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<sup>10</sup> Anonymous, "Japan Upgrades Economic Links", *Southeast Asia Monitor*, vol. 7, no. 3 (March 1996), p. 12.

<sup>11</sup> Liu Wu, "The Adjustment of Burmese Foreign Policy: From Friendly China Policy to Balance of Power Policy", *Southeast Asian Studies*, no. 2, 2007, p. 46.

<sup>12</sup> (Singapore) *Lianhe Zaobao*, December 23, 2002.

\$213 million investment in Myanmar from 1988 to 2007. It is Myanmar's 12th investing nation and 4th largest trading partner.<sup>13</sup> Nowadays, "made in Japan" is the symbol of quality and credit. We can see that Japan enjoys a good reputation in Myanmar.

**Table 1: Japanese ODA to Myanmar (Net Expenditure)**  
(Unit: Million Dollars)

	2002	2003	2004	2005	2006	2007	1969–2007 Total
Total	49.39	43.08	43.08	25.49	30.84	30.52	2991.53
Government Loans	-15.84	-	-	-0.19	-	-	1310.74
Grant Aids	30.03	18.52	8.41	6.65	13.35	11.68	1326.87
Technical Assistance	35.21	24.56	18.41	19.03	17.48	18.84	353.99

*Source: Ministry of Foreign Affairs of Japan, ODA Datebook 2008, 2008, p.102.*

**Table 2: Japan's Trade Value with Myanmar**  
(Unit: Million Yen)

	1980	1990	1995	2000	2005	2006	2007
Total Value	66723	20478	23403	33912	32605	40680	55284
Export	49206	14479	14666	21037	10132	12071	20603
Import	17526	5999	8735	12875	22473	28609	34681
Balance	31680	8480	5933	8162	-12341	-16538	-14078

*Source: Japan Tariff Association, The Summary Report on Trade of Japan, 1980.12, 1990.12, 1997.12, 2002.12 and 2007.12.*

<sup>13</sup> ASEAN-Japan Centre, *ASEAN-Japan Statistical Pocketbook 2008*, Tokyo: ASEAN-Japan Centre, 2008, p. 86.

In late September 2007, a Japanese press photographer was killed in the conflict during the large-scale demonstration that erupted in Yangon. Under both international and domestic pressure, the Japanese government protested against the Myanmar military government and threatened to take “coercive measures”. However, in fact it didn’t, which lead America and other European countries to impose sanctions on Myanmar. Japan even had a rare divergence of views from its Western allies and refused to stop providing assistance to Myanmar. This showed that the Japanese government would not sever its link with Myanmar just because of Myanmar’s domestic affairs. On the contrary, it would try to maintain the special partnership with Myanmar.

## II. Japan’s Policies towards Myanmar

In general, Japan pays much attention to promote its political and economic relations with ASEAN member states, aiming to expand its economic interest and political influence in Southeast Asia and restrict China’s development as well. In September 2001, the Foreign Relations Task Force, an advisory body for Prime Minister Junichiro Koizumi, was established to research and set up the basic framework of Japan’s 21st century diplomatic strategy. With the participation of the highest Japanese decision-making level, the Foreign Relations Task Force submitted a report to Junichiro Koizumi, entitled *The Basic Strategies of Japan’s 21st Century Diplomacy* on 28 November 2002, after more than one year’s study. When referring to Japan’s ASEAN diplomatic strategy, it said that “ASEAN is Japan’s ally that can be the power to balance China”.<sup>14</sup> The direct reason why Japan emphasised ASEAN’s balance effect was that the all-round development of cooperation between China and ASEAN in the fields of economy, politics, and security in recent years has caused unprecedented stimulation and pressure to Japan. The Japanese government felt that it had to make full use of its economic and political influence in Southeast Asia.

Within the framework of the report mentioned above, Japan first made its policy in the Mekong region. On 30 November 2006, Prime Minister Taro Aso delivered a speech in Tokyo and declared to establish an alleged Arc of Freedom and Prosperity in the outer edge of Asian-European continents. He hoped to achieve the peace and welfare of the ASEAN countries through economic prosperity and democracy. The Mekong region is one important part of the Arc of Freedom and Prosperity, especially Cambodia, Laos, and Vietnam.<sup>15</sup>

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<sup>14</sup> (Japan) Foreign Relations Task Force, *The Basic Strategy of Japanese Diplomacy in the 21st Century* (21 Seiki Nihon Gaikou No Kihon Senryaku), Tokyo, November 28, 2002, p. 14.

<sup>15</sup> (Japan) Minister of Foreign Affairs, Speech by Mr. Taro Aso, Minister for Foreign Affairs on the Occasion of the Japan Institute of International Affairs Seminar, “Arc of Freedom and

The Japanese government announced the Japan-Mekong Region Partnership Program in January 2007, which includes three goals, priority areas, and new initiatives respectively.<sup>16</sup>

### Three Goals

- a. Enhanced Japan – Mekong Region partnership
- b. Sustainable economic growth of the Mekong Region
- c. Life with dignity for the people in the Mekong Region and fulfilment of their potential

### Three Priority Areas

- a. Integrate economies of the region and beyond
  - Improve socio-economic infrastructure and institutions
  - Strengthen regional networks
  - Integrate regional economies with ASEAN and East Asian economies
- b. Expand Trade and Investment between Japan and the Region
  - Develop legal frameworks (EPA, BIT)
  - Improve business environment for trade and investment
  - Promote industrial cooperation (OOF, SEZ development, one-village one-product activity, promotion of natural rubber industries, etc.)
- c. Pursue Universal Values and Common Goals of the Region
  - Share universal values (Democracy, Rule of law, etc.)
  - Pursue common goals of the region (Poverty reduction, MDGs, Infectious diseases control, Environment, etc.)

### Three New initiatives

- a. Expansion of ODA to the Mekong Region
  - Regarding the Mekong Region as a priority area, Japan will expand its ODA to each CLV country as well as to the region as a whole for the next three years.
  - In addition, out of Japan's new assistance totalling US\$52 million for promotion of Japan-ASEAN economic partnership, approximately US\$40 million will be allocated to the CLMV. Of this amount, approximately US\$20 million will be used to assist the CLV "Development Triangle".
  - In order to substantially expand joint assistance projects for the Mekong Region, Japan will consult more closely with the rest of the ASEAN countries.

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Prosperity: Japan's Expanding Diplomatic Horizons". See website of Ministry of Foreign Affairs of Japan: [http://www.mofa.go.jp/mofaj/press/enzetsu/18/easo\\_1130.html](http://www.mofa.go.jp/mofaj/press/enzetsu/18/easo_1130.html)

<sup>16</sup> (Japan) Minister of Foreign Affairs, *Japan-Mekong Region Partnership Program*. See website of Ministry of Foreign Affairs of Japan: [http://www.mofa.go.jp/mofaj/area/j\\_clv/pdfs/mekong\\_pp.pdf](http://www.mofa.go.jp/mofaj/area/j_clv/pdfs/mekong_pp.pdf)

- b. Bilateral Investment Agreements with Cambodia and Lao P.D.R.
  - Japan will commence negotiations on bilateral investment agreements with Cambodia and Lao P.D.R. In addition, Japan and Lao P.D.R. will newly establish public-private joint dialogue to improve the environment for trade and investment.
- c. Japan-Mekong Region Ministerial Meeting
  - Japan proposes to hold a Japan-Mekong Region Ministerial Meeting, inviting relevant ministers from the five Mekong Region countries at an appropriate date in the next fiscal year to further strengthen dialogue between Japan and the Mekong Region.
  - Japan viewed “Trust, Development and Stability” as the core to implement its policy in the Mekong region and planned to afford a series of assistance to Cambodia, Laos, Myanmar, Thailand, and Vietnam (the CLMTV).<sup>17</sup>

#### **Trust**

- a. Celebrate the year 2009, as “Mekong-Japan Exchange Year”.
- b. Receive more than 10,000 youths of the Mekong Region countries in five years under various programmes.
- c. Realise the periodic mechanism of the Mekong-Japan Foreign Ministers’ Meeting.

#### **Development**

- a. Expand its ODA to the CLMTV, in accordance with the Japan-Mekong Region Partnership Program.
- b. Implement its ODA together with trade and investment.

#### **Stability**

- a. Strengthen cooperation with the CLMTV, on addressing threat of infectious diseases and other cross-border issues.
- b. Promote Myanmar’s democratic process actively.

Based on geographic consideration, Japan believes that Myanmar is an indispensable part of its Mekong region policy, as it lies between China and India and holds an important strategic position. What’s more, Japan has maintained a friendly relationship with Myanmar for a long time. Therefore, Japan should contribute to Myanmar’s democratisation and market economy constructions to promote Myanmar’s and ASEAN’s stability, prosperity, and integration as a whole. Considering Myanmar is under international sanctions from America and

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<sup>17</sup> (Japan) Minister of Foreign Affairs, *Mekong-Japan Foreign Minister’s Meeting* (Summary). See website of Ministry of Foreign Affairs of Japan: [http://www.mofa.go.jp/mofaj/area/j\\_mekong/0801\\_kg.html](http://www.mofa.go.jp/mofaj/area/j_mekong/0801_kg.html)

some Western countries, Japan figures that only by achieving democratisation and a market dominant economy can Myanmar be accepted by the international community. Moreover, such a Myanmar will also provide a better foundation for the further development of Japan-Myanmar relationships. For these reasons, Japan urges Myanmar to improve its policies in all aspects and encouraged it to cooperate with the UN. In May 2008, the Myanmar military government held a plebiscite on the draft of its new constitution and planned to stage a general elections in 2010. In this regard, the Japanese government appealed that all the Myanmar political factions should be able to participate in Myanmar's democratisation process, including Aung San Suu Kyi.<sup>18</sup>

Aung San Suu Kyi has been under house arrest since 2003. From then, Japan has limited its new assistance projects to humanitarian aid and human resource training.<sup>19</sup> At the same time, the Japanese government made great efforts to convince Myanmar leaders through direct dialogues. In 2002 and 2003, Foreign Minister Yoriko Kawaguchi, and former prime minister Yoshihiro Mori was sent to Myanmar to hold talks with Senior General Than Shwe. In December 2007, Japanese Prime Minister Yasuo Fukuda met Myanmar Primer Thein Sein in Singapore when he participated in the East Asia Leaders' session. The Mekong-Japan Foreign Ministers' Meeting, an initiative of the Japan-Mekong Region Partnership Program, was convened in January 2008. Foreign minister of Japan, Masahiko Koumura, also tried to convince the foreign minister of Myanmar, U Nyan Win, during the meeting.<sup>20</sup>

To sum up, in sharp contrast with the sanctions policy taken by America and some Western states, Japan diplomatically expressed a soft condemnation instead of tough antagonism when a Japanese citizen was killed in the Myanmar military government's repression of the demonstration in August 2007. Generally speaking, Japan would not suspend its aid just because the recipient states have deficiencies in human rights and democracy. What Japan would do is convey the message to those nations that if they still do not pay attention to human rights and democracy in their countries, the Japanese government would change its aid approach.<sup>21</sup> A Japanese Foreign Ministry official stressed in an interview that

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<sup>18</sup> (Japan) Ichiro Maruyama, *Japan's Diplomacy in Myanmar*, IDE-JETRO World Trend, no. 8, 2008, p. 46.

<sup>19</sup> Ministry of Foreign Affairs of Japan, *ODA Datebook 2008*, Tokyo, 2008, p. 100.

<sup>20</sup> Meeting of Mr. Masahiko Koumura, minster for Foreign Affairs of Japan, and U Nyan Win, minister for Foreign Affairs of Myanmar. See website of Ministry of Foreign Affairs of Japan: [http://www.mofa.go.jp/announce/announce/2008/1/1177295\\_824.html](http://www.mofa.go.jp/announce/announce/2008/1/1177295_824.html) (January 21, 2008).

<sup>21</sup> (Japan) Atsushi Kusano & Tetsuya Umemoto, *An analysis of Japan's contemporary diplomacy* (Gendai Nihon Gaikou No Bunseki), Tokyo: University of Tokyo Press, 1995, p. 170.

“Japan doesn’t follow the American and European routes to strongly condemn the Myanmar military government, nor does it to go with the Chinese route to strengthen the relation with Myanmar military government by increasing assistance. It will take a middle road to take the advantages of both to make a contribution”.<sup>22</sup> Therefore, the Japanese government takes neither the West’s “human rights diplomacy” nor some Asian nations’ “non-intervention diplomacy” but eclecticism in dealing with Myanmar. The Japanese government emphasises the importance of dialogue with the Myanmar military government. Compared with the tough approach of the West, it is steadier and more moderate.<sup>23</sup>

### III. Issues Facing Japan-Myanmar Relations

#### 1. Myanmar’s Democratisation

In the recent years, Japan’s influence on Myanmar has declined due to the reduction of Japanese aid and the alteration of the Myanmar military leaders. Japan still holds the same opinion with America on important issues, although it has great political and economic interests in Myanmar. That is why Japan appeals to the Myanmar government to release Aung San Suu Kyi and achieve reconciliation through dialogue with its opposition parties. In this regard, the Myanmar government only hopes that the Japanese government can comprehend the specificities of the democratisation process in the charge of a military government. Japan was in favour of discussing Myanmar issues in the UNSC (United Nations Security Council) in September 2006. Myanmar’s state holding newspaper criticised this, saying that “Japanese army corps occupied Myanmar and carried out brutal rules in WWII. Yet, it doesn’t lend a helpful hand to Myanmar but even moves closer to the great powers.” This reaction highlights that the Myanmar military government began to keep distance with Japan and even alienate it consciously.<sup>24</sup>

#### 2. The Small Scale of Japan’s Direct Investment

Myanmar’s rich natural resources have great appeal. Although the Japanese enterprises did not carry out large scale economic projects in Myanmar due to the limitation of the Sanction Act, their familiarity with Myanmar’s economic

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<sup>22</sup> (Japan) “Japan’s diplomacy in Shaken: Provide Support or Put Pressure”, *Asahi Shimbun*, October 19, 2007.

<sup>23</sup> Yasuaki Ohnuma, Wang Zhian (Tran), *Hunan Rights, the State and Civilization*, Beijing: Joint Publishing. 2003, p. 311.

<sup>24</sup> *Japan’s Myanmar Policy Dilemma: Support or Sanctions*, found at [http://www.singtaonet.com/euro\\_asia/200710/t20071012\\_633688.html](http://www.singtaonet.com/euro_asia/200710/t20071012_633688.html)



situation cannot be matched by many other nation or organisation. The Japanese financial sector is quite critical of the government following American policy and never stops looking for channels to enter Myanmar markets. Although the investment prospect in Myanmar is attractive, Japan's investment scale is still small, which arouses quite a few complaints from Myanmar. According to the Agreement on Japan-ASEAN Comprehensive Economic Partnership Framework, a Free Trade Agreement will be signed between the two sides to build a free trade zone by 2012. Japan will increase its investment in Myanmar in the future. Its interest lies not only in Myanmar's industry but also energy and fisheries.<sup>25</sup> Japan even plans to remove its garment factories which are now located in the Chinese coastal area to Myanmar as they have cheaper labour. However, it still takes time to reach a significant expansion of Japanese investment in Myanmar.

### **3. Influence from China-Myanmar Relations**

China has actively promoted its economic relations with Myanmar guided by the five principles of peaceful co-existence and non-intervention in Myanmar's internal affairs since the Myanmar military government came to power. The support from China eased Myanmar's political and economic isolation, thus contributing to Myanmar's military government being able to resolve the crisis and maintain its governance. This was deeply appreciated by the military government of Myanmar. Consolidating and promoting the relation with China became the cornerstone of Myanmar's foreign policy. China came to be the first and foremost nation in Myanmar's diplomacy. Japan's concern on the increasingly close China-Myanmar relation is far more than Myanmar's surrounding countries, as Japan is afraid its security will be threatened. In the opinion of Japan, if China's military influence extends to the Indian Ocean, Japan's lifeline of commodity and energy, which starts from the Persian Gulf to the Indian Ocean to Southeast Asia and then reaches the Pacific Ocean, will definitely be menaced. Viewing from the long-term strategy, Japan has to scramble the diplomacy priority and abundant resources in Myanmar with China in order to safeguard its commodity and energy lifeline.<sup>26</sup> Japan is not willing to lose such an important strategic place as Myanmar, nor is it willing to see Myanmar become a vassal of China, in which case it will be at a strategic disadvantage.

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<sup>25</sup> *Japan's Interests in Myanmar's Industry, Energy and Fisheries*, found at [http://www.caexpo.org/gb/cafta/t20070429\\_71571.html](http://www.caexpo.org/gb/cafta/t20070429_71571.html)

<sup>26</sup> (Japan) "China's Southern Diplomacy-from the Perspective of Defending the Sea Line", *The Sekai Nippo*, September 4, 2006.

## IV. Conclusion

In order to maintain its traditional influence in Southeast Asia, especially in Myanmar, to preserve its dominant status in Southeast Asia and to prevent China's infiltration, Japan has to maintain a placatory policy in Myanmar. Therefore, Japan will keep a certain distance with America and the West on the Myanmar issue. It will maintain close communication with Myanmar and use a "carrot" (concessions) instead of the "stick" (sanctions) to induce Myanmar to keep away from China.<sup>27</sup> Japan is Myanmar's largest donor and creditor nation, and often makes use of this advantage to prevent Myanmar's bias for China. To counteract China's impact on Southeast Asia, Japan spreads the fallacy of a "China Threat" all along. Facing the larger and larger gap, Myanmar is worried that one day China will be a threat.<sup>28</sup> In other words, Japan does not want China's impact crossing Myanmar and reaching the Indian Ocean. Strategic consideration is the main factor why Japan did not over-accuse Myanmar when the government suppressed the demonstration in September 2007. From this side, the serious competition between China and Japan and Japan's anxiousness of China's development can be seen.

In fact, the economic measure used by Japan is more effective than the political means used by the West. It is widely considered that pressure from Japan is the main factor of the Myanmar military government's transformation in its economic policies. With the great efforts of Japan and other nations, the Myanmar military government adopted several measures to reform the economy and introduced the Foreign Investment Law for the first time in 1988. In the future, Japan will continue to use financial aid as bait to urge the Myanmar government to achieve reconciliation through dialogue. It will assist Myanmar to establish a market economy and keep an eye on Myanmar's human rights condition. The Myanmar people will require the government to carry out more reforms after they solve the problem of food and clothing. Only then will it be possible for Myanmar to become a democratic nation as Japan wishes. Japan will continue to adopt a constructive intervention policy in Myanmar and make more contributions to the establishment of Myanmar's market economy.

Japan's ultimate goal is to strive to establish its leading role in Southeast Asia and provide a sound foundation for becoming a great political power. Therefore, Japan leaves no efforts to make Myanmar a model nation which

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<sup>27</sup> J. Mohan Malik, "Myanmar's Role in Regional Security: Pawn or Pivotal?", *Contemporary Southeast Asia*, vol.19, no.1 (June 1997), p. 60.

<sup>28</sup> Wang Jienan, "Myanmar-China Relations and Security of China's Southwest Perimeter", *Forum of World Economy and Politics*, no. 2, 2004, p. 58.

establishes market economy and achieves democracy with the help of Japanese economic aid. To this end, Japan tries to play an important role in Myanmar's democratisation process and economic reform course by means of economic and technologic aids, policy exchanges and dialogues, human resources development, trade cooperation, direct investment, and other channels. Myanmar is becoming a touch-stone of Japan's goal to be a great political power. It is both a necessary step and a competitive trip for Japan to maintain a special relationship with Myanmar and extend its impact in Myanmar. To infer Japan's diplomatic direction in the 21st century, close attention must be paid to the new changes of Japan's policy towards Myanmar and its in-depth strategic purposes.

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# The US, China, and Burma/Myanmar: Reconsidering the Siege of an Outpost of Tyranny?

*David I. Steinberg*<sup>1</sup>

Our second policy approach is to lead with diplomacy, even in the cases of adversaries or nations with whom we disagree. We believe that doing so advances our interests and puts us in a better position to lead with our other partners. We cannot be afraid or unwilling to engage. Yet some suggest that this is a sign of naiveté or acquiescence to those countries' repression of their own people. I believe that is wrong. As long as engagement might advance our interests and our values, it is unwise to take it off the table.<sup>2</sup>

– Secretary of State Hillary Clinton.

## Introduction

Burma/Myanmar is unique—not only as a culture but even as an “outpost of tyranny,” as presumptive Secretary of State Condoleezza Rice referred to it on January 18, 2005.<sup>3</sup> In spite of claims by both the Bush and Obama administrations that Burma/Myanmar was a threat to regional peace, these claims were denied by the UN Security Council in January 2007, with both China and Russia vetoing that US introduced resolution.<sup>4</sup> The US concern was reiterated by President Obama's

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<sup>1</sup> David I. Steinberg, Distinguished Professor, School of Foreign Service, Georgetown University, US.

<sup>2</sup> Foreign Policy Address at the Council on Foreign Relations. July 15, 2009.

<sup>3</sup> The military government changed the name of the state from Burma to Myanmar, as well as many other internal names, in July 1989. The UN and most nations have accepted that change. The United States, following the Burmese opposition, which regards the regime as illegal, refuses to recognise this change. Thus, the name of the state has become a surrogate indicator of political persuasion. In this essay, without political connotation, Myanmar is used for the name of the country since 1989, Burma in all previous references, and Burma/Myanmar for continuity. Burman will be used for the majority ethnic group, and Burmese as an adjective, for the language, and in reference to citizens of that country.

<sup>4</sup> As the Russian ambassador said, if it were a regional threat, then the countries around Myanmar should have complained, but since none did, the issue rather belongs in the UN Economic and Social Council.

statement in the White House on May 14, 2009: “The actions and policies of the Government of Burma continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States.”<sup>5</sup>

It is that statement, rather than the situation, that is unusual and extraordinary in the international context. It is not a result of an external threat, as it states, but is instead based on a combination of internal US law and political expediency. Prior to 1977, unilateral sanctions could only be invoked by the executive branch under the Trading with the Enemy Act of 1917; now, however, this requires a congressionally enacted state of war. Presently, the president may so impose sanctions under the Emergency Economic Powers Act of 1997, but only if such an extraordinary “threat” exists.<sup>6</sup> If, therefore, internal politics calls for executive branch initiated sanctions (in contrast to an act of the legislature), these words must be invoked.

The statement, however, is more political hyperbole than it is accurate. Burma/Myanmar does not approach the serious security concerns of the United States in North Korea, Sudan, Iran, Syria,<sup>7</sup> and Palestine—other countries and issues under review by the Obama administration in the spring of 2009.<sup>8</sup> Specific strategic interests have played no role in the public articulation of the US foreign policy toward Myanmar, however much they may have been quietly considered by any administration in classified circles under some aspect of “contingency planning.” Burma/ Myanmar is thus an anomaly: so-called a “pariah”, “rogue”, “failed”, and “thuggish” state in which the US economic interests are minimal and strategic concerns at least publicly (until recently) unarticulated, but one elevated in attention for which the consistent US mantra has called for “regime

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<sup>5</sup> White House statement, May 14, 2009. See Appendix I for the full text. The White House cited previous Executive Orders #13047 of May 20, 1997; #1330 of July 28, 2003; #13448 of October 18, 2007; and #13464 of April 30, 2008.

<sup>6</sup> See Thihan Myo Nyun, “Feeling Good or Doing Good: Inefficiency of the US Unilateral Sanctions against the Military Government of Burma/Myanmar.” *Washington University Global Studies Law Review*. vol. 7:455, 2008, pp. 469–470. The US used exactly the same language in renewing the sanctions against North Korea on May 24, 2009 in relation to nuclear issues, but consciously did not spell out the reasons against Burma/Myanmar.

<sup>7</sup> In June 2009, the US announced that it would nominate an ambassador to Syria, where one has been absent for four years. This raises the question of an ambassadorial-level appointment to Myanmar, where one has been absent since about 1991. Could this be justified as in the US national interests in that dialogue could be better instituted at the ambassadorial level?

<sup>8</sup> This review in part seems to have been prompted by the pre-election debate between Democratic Party candidates Obama and Clinton on whether to engage in direct talks with regimes that the US found wanting, the former arguing that such talks should take place without preconditions, while the latter called for them. In a sense, the differences were more oratorical than real, for preparations prior to negotiations are always based on some understanding both of the rules of engagement and the possible outcomes.

change.”<sup>9</sup> The present US policy toward Burma attracts passionate supporters, and an extremely well-organised and articulate lobby against the present military government, even as it has modestly been modified.

Yet there is an inchoate relationship presumed among many in the US about the “outposts of tyranny” states and those associated with them. Thus, North Korean nuclear ambitions, missile sales, and defence relationships with Iran and relations with Syria spill over into Western concerns about North Korean attitudes and assistance to Myanmar. Rumours of Myanmar nuclear ambitions perhaps spring from North Korean tunnel construction in Naypyidaw.<sup>10</sup> Myanmar’s interests in developing nuclear facilities are undocumented (although rumoured) except for the planned purchase of a small, experimental reactor from Russia, and the training of some hundreds of Burmese on nuclear issues in Russia.<sup>11</sup> South Korea has also trained over fifty Burmese in aspects of nuclear technology through its foreign assistance programme (KOICA).

The single strand in US policy interests in Burma, as the US still prefers to call it (and it took a generation for the US to refer to Peking as Beijing) since 1989, relates to human rights and governance—political freedoms, although humanitarian concerns were earlier apparent and became more important in the wake of Cyclone Nargis in May 2008, and to the survivors of which the US contributed some USD75 million. Most previous US assistance has been to groups across the border in Thailand—also justified under the humanitarian rubric, although many activities (sponsored by both public and private groups) were explicitly or implicitly anti-junta programmes (i.e., to pro-democratic forces and toward a democratic transformation).<sup>12</sup> More recent congressional budget

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<sup>9</sup> The use of the pejorative term “rogue” essentially means a government with a different set of operational assumptions, and thus may seem to be unpredictable. The most common usage has been in reference to elephants on a rampage.

<sup>10</sup> There have been many unverified opposition press reports concerning the nuclear relationship between Myanmar and North Korea, including mining of uranium, reactor sites, and training. South Korea officially informed the Myanmar authorities that it would have no objection to Myanmar re-establishing relations with North Korea. This was during the period of the “Sunshine Policy” of South Korea with the North. Personal interview, Yangon. Certainly, there have been official high level visits between the countries, including a leaked secret report on the visit by General Thuru Shwe Mann. The boomerang voyage of the North Korean freighter *Kangnam* sparked a multitude of press speculations on its purpose and destination, presuming arms, missiles, and even nuclear materiel, and its destination, Yangon. The Burmese are said to have turned it back.

<sup>11</sup> See Andrew Selth, “Burma and North Korea: The Smoke and the Fire.” Australian Strategic Policy Institute, Canberra. August 2009. Also Selth, “Burma and North Korea: Conventional Allies or Nuclear Partners.” *Regional Outlook*, Griffith Asia Institute, 2009.

<sup>12</sup> When Senator Webb on September 30, 2009 at a senate hearing asked Assistant Secretary Kurt Campbell whether the US has supported covert activities along the Thai border, the assistant secretary responded that he would answer in private session.

allocations provide funding for democracy-related programmes within Burma/Myanmar.

This policy is not a product of a single administration, for three presidents (starting with Bill Clinton) have essentially focused on these issues, but even more narrowly on the plight of Aung San Suu Kyi, variously incarcerated under house arrest since July 1989, for some fourteen of the last twenty years. She has become the avatar of democracy and freedom to the Western world. She has garnered global sympathy not only because of her views, but also because she is the only incarcerated Nobel laureate and appears so vulnerable in the face of autocratic military power. Her “trial” in the summer of 2009, for violating her house arrest through two illegal aquatic visits by a bizarre American visitor, John Yettaw, impeded for a short period consideration of alternative US policy options. She was found guilty, but her three-year sentence was halved by the junta in an act by the senior general obviously designed to garner applause for his magnanimity (it did not work internationally), and she was allowed marginal improvements in her house arrest status. The sentence was clearly intended to keep her out of action through the elections of 2010, although it was evident this was the state’s aim even before the trial.

The dissidents’ concern, unrealistic to seasoned observers of the Washington scene, that the US might quickly shift its policies under the Obama-sponsored reviews from comprehensive sanctions, pronounced in four separate tranches, to their whole or partial retraction and some sort of acceptance of the regime in Naypyidaw has prompted an outcry from highly effective lobbying groups including human rights monitoring organisations, the bulk of the Burmese expatriate community, the purported “government-in-exile” National Coalition Government of the Union of Burma (NCGUB), and other organisations. Influential individuals, such as former secretary of state Madeleine Albright, have also weighed in *sotto voce*.<sup>13</sup> Congressional incumbents have specifically lobbied against major changes in policy<sup>14</sup> as has the influential press such as *The New York Times*, the *Washington Post*, and the *Boston Globe*. Any changes made by the Obama administration would in any case have had to be incremental and meticulously geared to, and justified by,

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<sup>13</sup> She refers to Aung San Suu Kyi with great admiration as having “ethereal beauty and steely resolve.” *Madame Secretary*. New York: Miramax, 2003, pp.200–202. Secretary Albright gave impassioned speeches against ASEAN admitting Myanmar in 1997.

<sup>14</sup> For example, the letter signed by seventeen members of the Congress to the secretary of state on April 3, 2009. It calls the planned 2010 elections “undemocratic” and a “stage managed vote,” although the political party registration law and voting regulations have not been issued, and the elections have yet to occur.



the positive actions and responses of the Myanmar authorities.<sup>15</sup> The president can override congressional sanctions legislation on Burma, but he must do so by invoking the US national interests to so convince the Congress, and this effectively requires a significant reform initiative by the Myanmar government. As one writer noted, "During the 1990s, the State Department leased out its Burma policy to Congress in the interest of other priorities. As a result, today, the executive branch does not completely control America's policy toward Burma."<sup>16</sup> It should be noted that important Republican Party legislators, on whom the administration relied during the Bush era, were vigorously opposed to the Burmese military regime.

These 2009 policy reviews, and several have taken place in the executive and legislative branches as well as in the intelligence community, are welcome. For the first time in a score of years there has been open debate in Washington on the issue of Burma/Myanmar, a subject of singular polarisation in the policy community, and indeed in the research arena, and one subject to a high degree of political orthodoxy in the capital.<sup>17</sup> Yet when Secretary of State Hillary Clinton raised the Burma issue (and she did so in a studied and planned manner, not in a casual, offhanded remark), she said that they (the US) have tried both isolation and engagement and neither has worked; she was half-right on tactics but obscure on the strategic goal. The US has tried isolation, while ASEAN and other groups and countries have tried engagement.<sup>18</sup> By "worked," she apparently was referring to the objective of US policy, which blatantly for most of this period was regime change, later linguistically tempered by slightly more ambiguous calls for reform, while the goal of many other states and ASEAN was regime modification. This apparent dualism, however, may be too dichotomous. There have been some executive branch statements that were more indirect and moderate, but the overwhelming public congressional sentiment seemed to stress regime change.

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<sup>15</sup> In whatever contacts this writer has had with Myanmar officials, he has continuously stressed that point.

<sup>16</sup> Walter Lohman, "U.S. Policy Regarding Burma: Making Virtue of Necessity." Washington, D.C.: The Heritage Foundation, Webmemo #2560, July 23, 2009.

<sup>17</sup> There have been in Washington a few international conferences, some organised by this writer, but none have generated the rational public debate on this issue that had been hoped for. Some other meetings were essentially "cheerleading" sessions in favour of hard-line policies and provided emotional sustenance to some in the understandably frustrated expatriate community. The orthodoxy so apparent in Burmese circles was mirrored by that in Washington, and, one might add, London.

<sup>18</sup> "Constructive engagement," as advocated by the Thai, simply seemed another term for economic exploitation. One senior official in the Thai Foreign Ministry confided that he did not know what the term meant. Personal Interview, Bangkok.

Thus, US tactics were not effective and US goals (however defined) were not achieved. The Burmese junta has officially written that the US had a goal of regime change because Myanmar was the weakest link in the US's containment policy toward China.<sup>19</sup> The Burmese junta was playing the "China card," using the negative US position to encourage Chinese support, and downplaying US concerns about human rights abuses in Myanmar.

The US has recently become publicly concerned about its Burma policy, or perhaps more accurately the failure of its policy to achieve its early objective—regime change and exclusion of the military in administration<sup>20</sup>—and its later concerns for change that would in some manner involve the military. Myanmar, in 2009, has given mixed signals to the US. Almost simultaneously, it indicated an interest in more direct dialogue and at the same time took actions that were clearly in foreign eyes determined to destroy any amelioration of these tensions.

Thus, the unprecedented opening by the Myanmar foreign minister in Naypyidaw of meeting with a US Department of State mid-level official in March 2009 was undercut by the trial of Aung San Suu Kyi in the summer of 2009, with some officials in Myanmar and the official media charging that the surreptitious visit of the American John Yettaw was part of a nefarious American and foreign plot, while others in the opposition thought it might have been engineered by the junta itself to provide an excuse to continue her detention at least until the planned elections of 2010. Both are likely to be inaccurate. One Burmese official indicated that if there had been no trial, the junta would have appeared to be "weak" to the opposition, resulting in strengthening it.<sup>21</sup> One might argue that as in the past US policies toward Myanmar were split between executive and legislative branch differences in 2002 (see below), in Myanmar

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<sup>19</sup> "Therefore, from a Western point of view, Myanmar could be deemed to be the weak link in the regional China containment policy as primarily advocated by the United States." Hla Min, *Political Situation of the Union of Myanmar and Its Role in the Region*. Yangon: Ministry of Defence, Department of International Affairs and Research. 28th edition, April 2004 (originally published 1997), p. 89.

<sup>20</sup> One plank of the 1989 NLD platform was civilian control over the military establishment. This is prohibited under the new planned constitution.

<sup>21</sup> Personal communication. It was evident in March 2009, that the junta planned to keep her under house arrest until the 2010 election period, for they feared she might somehow "disrupt" them. Since "policy" trumps law, they did not need a legal means to continue her confinement. The trip by the State Department official to Myanmar had been planned earlier and postponed. Thus, it was the Burmese who were sending a signal by that meeting, and not the Americans, who sent a more indirect one via considering and later signing (July 2009) the ASEAN Treaty of Amity and Cooperation, which the US had not signed before, largely because of Burmese membership since 1997.

there may be a split between lower level officials (some members of the cabinet) and the apex of the junta itself.<sup>22</sup>

## US Policies toward Burma until 1988

In spite of John Foster Dulles's admonition that it was immoral to be neutral during the Cold War, quintessentially neutral Burma—always neutral in China's shadow<sup>23</sup>—was of great interest to the US for a variety of reasons, and provided assistance in three broad categories: economic, military (mainly IMET-training), and anti-narcotics activities. All were, in fact, interpenetrated. The most prominent motivation was to prevent communist control over that state, which was plagued by two internal communist rebellions (the "Red" and "White" Flag communist parties), and strong legal leftist elements above ground. The US also perceived the state to be vulnerable to the external spread of communism from the PRC both directly and through the large overseas Chinese community resident in Burma.<sup>24</sup> At that time (and since 1909), the Chinese government considered overseas Chinese as citizens of China (under *jus sanguinis* law)—this has since changed, relieving some perceived indirect pressure. The initial US economic assistance programme was justified on the basis that the People's Republic of China, representing the "communist bloc", was bent on political/ideological expansion, and had to be contained.<sup>25</sup>

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<sup>22</sup> Alternatively, this could result from the inability of the junta to gauge potential US and foreign reactions to the trial.

<sup>23</sup> See John Seabury Thompson, "Burma, A Neutral in China's Shadow." *Review of Politics*. XIX, (July 1957), pp. 330–350. U Thant became Secretary General of the UN (1961–71) because of Burmese neutrality. Burma dropped out of the Havana Meeting of the Non-Aligned Movement in 1979, to remain neutral between China and the Soviet Union.

<sup>24</sup> Between 1960–65, there were variously estimated to be between 350,000–400,000 overseas Chinese in Burma. Stephen Fitzgerald, "Selected Estimates of the Overseas Chinese Population in Southeast Asia." *China and the Overseas Chinese*. Cambridge: Cambridge University Press, 1972, p. 196. The 1983 Burmese census noted approximately 233,470 Chinese, of a total "foreign races" in the country of 1,830,955 (or 5.3 per cent of the population). Rangoon: Socialist Republic of the Union of Burma, Ministry of Home and Religious Affairs, *Burma 1983 Population Census*. June 1986. Wherever possible (but not in Burma), the US tried to influence overseas Chinese opinion through indirect sponsorship of anti-communist textbooks for the local Chinese schools.

<sup>25</sup> The first visit by a US economic team was in May 1950, and it recommended a series of projects of over \$12 million. The urgency of assistance to Burma increased with the alacrity with which Burma recognised China as the first non-communist country to do so, and then the Korean War and China's later entry into it toward the close of 1950. See "Needs for United States Economic and Technical Aid in Burma." Report No. 3 of the United States Economic Survey Mission to Southeast Asia. Washington, May 1950. Confidential, later declassified 1967. If we today consider contemporary Myanmar officials as stressing national sovereignty, consider the following from 1950: "Burmese officials and educated leaders are hypersensitive about any

US concern may be gauged from the following:

Dissent within the Government, the Armed Forces, and between racial minorities coupled with the ever present fear of Chinese Communism in the north, present a situation in Burma which can best be described as chaotic. Neither the Government nor its Armed Forces are believed capable of coping with Communist-led insurgents presently concentrating in northern Burma with the obvious intention of establishing a "people's government" in that area. Unless greatly augmented outside aid is accepted and effectively utilized in the immediate future, Burma, accurately described as "the weakest link in Southeast Asia's anti-Communist front," may succumb to Communist domination.<sup>26</sup>

At the same time, the US was covertly supporting the remnant Chinese Kuomintang Nationalist troops that had retreated into Burma in 1949–50, much as the Ming troops had done in 1644, when the Qing Dynasty came into power. Fear both of a Chinese incursion to rid Burma of the Kuomintang troops and political pressure from the left led Prime Minister U Nu to expel the US aid programme in March 1953, and bring the issue to the UN Security Council. The US-Taiwan plan was that the small KMT forces attacking inside China would foment a massive popular uprising against the PRC, which was patently improbable. The major effects of the KMT incursion was the result of the direct administration of the Shan state by the Burmese military,<sup>27</sup> as the civilian administration proved incompetent to handle the situation, and opium/heroin production increased. The US economic presence in Burma was strongly supported by U Nu, an ardent socialist who had written against the communist movement.<sup>28</sup>

The total US economic development fiscal obligations under its USAID assistance programme from its inception to 1967 were USD121.79 million,

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imagined infringement of their sovereignty, and extremely suspicious of Western motives in offering them aid."

<sup>26</sup> US Army Far Eastern Command, Intelligence Digest #13, 17 December 1951. Secret later declassified. This document was brought to my attention by Dr. Andrew Selth of Brisbane University.

<sup>27</sup> See Mary Callahan, *Making Enemies: War and State Building in Burma*. Ithaca: Cornell University Press, 2003.

<sup>28</sup> "This movement [against the government] assumed such serious proportions that Government felt that drastic measures must be taken remove all pretexts for charges [that government was taking 'hush' money from the US in the form of aid]." U Nu wanted the US programme resumed. Cable #1792, Top Secret (declassified) March 19 from Ambassador Sebald to the secretary of state. US Department of State. *Foreign Relations 1952–1954*, Volume XII, p. 77.

of which about US\$50 million were in PL-480 loans. The last projects were terminated at the request of the Burmese authorities in May 1964.<sup>29</sup>

Figures cited in Appendix II cover different periods and are calculated by different categories: USD346.7 million (in current USD) for economic assistance in total grants and loans from 1946–2007, including narcotics control and refugee assistance; and USD94.4 million in military assistance over the same period. In constant 2007 USD, these figures are USD1,082.6 million and USD504.9 million respectively.<sup>30</sup>

The US economic assistance programme suffered two reversals in the pre-1988 period. The US aid mission was expelled over the issue of the Kuomintang forces in the Shan state, and then later reintroduced. It was finally eliminated following the coup of 1962. During the first decade and a half of the Burma Socialist Programme Party (BSPP) administration, US interests in Burma were simply to watch Chinese, Soviet, and Vietnamese relationships through a Rangoon lens. The interests of the US in Southeast Asia were obviously directed elsewhere until the end of the Vietnam War in 1975.

The juxtaposition of US and Chinese relations as centred on Burma/Myanmar are illustrated by the change in official Burmese attitudes between the 1950s and the 2000s. In the earlier period, Burmese military planning had determined that the only conceivable foreign threat to Burma was from China. It was decided that three infantry divisions and one armoured division should be formed that would hold off a projected Chinese invasion for a short period until the US would come to Burma's aid (on the Korean War model). Prime Minister U Nu felt the plan was too expensive and opted instead for Chinese friendship.<sup>31</sup> In the 2000s, however, when men undergoing paramilitary training asked why this was taking place, the officer-in-charge responded that they were to be the holding operation against the Americans until the Chinese came to their aid.

US interests also centred on anti-narcotics production, as Burma was the source of the bulk of US heroin at that time, and a massive wave of narcotics use in the US caused both social and political problems. An agreement on anti-narcotics assistance was signed in June 1974, and through 1983, USD47 million

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<sup>29</sup> United States Assistance Programme. Fiscal Obligations as of August 15, 1967. (US government, typescript). Projects varied and included the Rangoon General Hospital, water supply, sewage system; teak production; land restoration; Rangoon University Liberal Arts College; inland water fleet, etc.

<sup>30</sup> US Overseas Loans and Grants: Standard Country Report [Greenbook], 2008.

<sup>31</sup> Personal interview, Yangon. See David I. Steinberg, "Defending Burma, Protecting Myanmar," [Guest Column] *Irrawaddy*, May 2006.

was provided in support.<sup>32</sup> Unofficial proposals were even made to the House of Representatives' Subcommittee on Asian Affairs to buy up the total opium crop in Burma and destroy it, with little thought given to the potential effects on the expansion of production in subsequent years with such an assured market. The situation has vastly changed. Opium production dropped significantly since 2002, and since 2006, the US could not chemically identify any heroin imported into the US from Burma/Myanmar.<sup>33</sup>

In 1978–79, the Burmese government informally approached the US to restart its economic assistance programme, and, although evidence is lacking, the Burmese may have informally asked the Chinese their view of this possibility. Since US-China relations had vastly improved, if asked, the Chinese would likely have agreed. The Vietnam War had ended so local confrontations were diminished. This writer led the team that assessed in 1979, whether the Burmese were interested in an aid programme.<sup>34</sup> It is significant that in spite of a US administration under President Carter which is as known for its strong stance on human rights issues, no mention was ever made of the human rights problems that Burma exhibited under an authoritarian, single-party socialist government based on an Eastern European model. Indeed, five years earlier, the US started its anti-opium programme with the supply of equipment and training. During 1974–88, the US sponsored an anti-narcotics programme that provided helicopters and pilot training. Such programmes were legislatively supposed to be prohibited in non-democratic states, of which Burma was an obvious case.

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<sup>32</sup> *Burma A Country Study*. Washington, D.C. Area Handbook, American University for the Department of the Army, 1983. It is unclear whether the new Burmese constitution, which came into effect on March 2, 1974, played any role in the timing of this agreement. A defector indicated that although the US supplied helicopters, use was supposed to be limited only to anti-narcotics activities, but they were used to ferry the leadership around, and they were warned not to have their pictures taken in front of the helicopters. Personal Interview.

<sup>33</sup> *National Drug Threat Assessment of 2009*. Washington, D.C. 2009, p. 31. *The New York Times* on October 7, 2009 reported that heroin prices in the border region dropped as minorities were selling off stocks to buy arms because of the threat of new violence between the army and cease-fire insurgents.

<sup>34</sup> This request, which went from the secretary of state to the USAID administrator, to the assistant administrator for Asia, and then to this writer as office director for Philippines, Thailand, and Burma Affairs, prompted a reply from him that since the US had twice been forced to leave Burma, the US should seriously ascertain whether Burma was interested. He then led the team to Burma that reached a positive conclusion, and the programme centred on “basic human needs” (now called “humanitarian assistance”) was begun. The first project requested by the Burmese deputy prime minister, however, was the renovation of the Rangoon airport, which this writer rejected without reference to Washington as outside the programme scope, but which later was financed by the Japanese government, which differently interpreted it as humanitarian assistance because of the possibility of plane crashes.

The United States also had carried out an extensive IMET (International Military Education and Training) programme in Burma. In the period 1950–62, 972 officers were trained in the US. During the civilian era, 1948–62, 1,852 officers were trained overseas, of whom 1,227 went to the US (66.3 per cent).<sup>35</sup> During 1980–88, 255 officers graduated from the US under the IMET programme—more than in any other country in that period. The restart of programme corresponded with the restart of USAID programme. Although the 1978 International Security Act stipulated that the US could not provide IMET in countries “engaged in a consistent pattern of human rights violations”—which certainly should have excluded Burma under the BSPP—this provision was ignored. The claim was that although such training did not improve human rights, it set standards that were important. In an indirect sense, however, the magnitude of this programme for a small country with a small military indicated two motivations: concern over potential Chinese communist influence and the anti-communist stance of the Burmese military, as well as the relative importance of the military in that society.

In addition, in the 1950s, under the military-led Caretaker Government (1958–1960), the Burmese military had established a relationship with the CIA to train Burmese in counter-communist activities. This relationship with the third highest military officer during the military caretaker government caused some apprehension in the neutralist government, and the retirement of the officer in question.

A small USAID mission was established in the US Embassy, and a programme related to participant training and basic health care was established.<sup>36</sup> The programme was more symbolic than a major contribution to the well-being of the people.

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<sup>35</sup> These figures are from Maung Aung Myoe, *Building the Tatmadaw: Myanmar Armed Forces Since 1948*. Singapore: Institute of Southeast Asian Studies, 2009.

<sup>36</sup> The reopening of the aid mission may provide lessons for the future. The closure of the AID office in the early 1960s was ordered from on high but implemented at a lower level of government, and the basic agreement for residence permits, duty-free entry, etc., was never terminated, just held in abeyance, so that the return of an AID office did not require formal cabinet approval. So too, it may be that if previously operating foreign foundations were to return, their early status agreements might be resuscitated. The examples above indicate that edicts from the top may be interpreted down the bureaucratic ladder in such manners to provide some flexibility not apparent at the stringent centre. This is now also evident in the operations of international NGOs during the Cyclone Nargis assistance, when local officials sometimes told the civil society groups and international NGOs to ignore Yangon regulations and get on with the assistance.

## United States Relations since 1988

As Myanmar was about to enter its third decade of military rule following the coup of September 18, 1988, relations with the United States had sunk to their lowest ebb since that date.<sup>37</sup> Prospects for the near-term were not optimistic, although some alternative approaches have since surfaced in 2009, under President Barack Obama. In response to deteriorating conditions in that country, the United States had enacted four stages of sanctions against the regime.

### The US Sanctions Regime

US-Burma relationships shifted after the spring of 1988, and the coup of September 18 of that year. The violence with which the people's revolution of 1988 was repressed, together with the coup and subsequent bloody retaliation against its opponents or sympathisers, prompted an immediate US reaction. Whether US legislation legally required the cut off of economic aid following the coup is unclear; the law stipulates that all foreign assistance monies, except humanitarian assistance, have to cease if a coup overthrows a democratically elected government, but which the BSPP was obviously not one. The US, however, stopped the aid programme and closed the office, which had been within the US Embassy.<sup>38</sup> The US also halted military assistance and the anti-narcotics programme. In effect, these comprised the first wave of sanctions against the SLORC. For a period, the US ambassador consciously decided not to meet with the authorities because it might confer a degree of legitimacy on their actions. When he finally did meet with General Khin Nyunt, there was an agreement that there would be no publicity.

Following the elections of May 1990, which were overwhelmingly won by the National League for Democracy (NLD) and intensified by the awarding of the Nobel Peace Prize to Aung San Suu Kyi in 1991, the US antipathy toward the junta increased and hardened.<sup>39</sup> It also became more personalised around

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<sup>37</sup> Some of this material are from David I. Steinberg, *Burma/Myanmar: What Everyone Needs to Know*. Oxford: Oxford University Press, 2010.

<sup>38</sup> At the time, this writer recommended to the Embassy that the programme may have to be halted, but that the USAID mission should not be formally closed, but rather merged into the economic section of the Embassy. The purpose of such a move would have made it considerably easier from a US standpoint bureaucratically to restart a programme at an appropriate time. He was overruled and the office was closed.

<sup>39</sup> In a private briefing with an influential congressman, this writer was told in the early 1990s that sanctions would pass "because a few congressmen were interested in them, and no one could be seen as voting for a pariah regime". Personal interview. Washington, D.C.



the figure of Aung San Suu Kyi. Further sanctions were enacted in 1997. These included restricted visas for certain Myanmar military officials and their families, and prohibited new American businesses from investing there.<sup>40</sup> Some in the Congress pushed for divestiture of previously established businesses, but the State Department's views prevailed and the action was limited only to those firms that had not invested prior to the act's passage.<sup>41</sup> Contrary to the European Union, which withdrew all military attachés in 1996, the US wisely kept that position open in the Embassy, thus providing a modest but desirable avenue of professional contact between the two militaries.<sup>42</sup>

The third stage came following the Depayin incident in central Myanmar in May 2003, when an NLD caravan, including Aung San Suu Kyi, was attacked and an unknown number killed. As deplorable as this incident was, and it was evidently planned, the apparent danger to Aung San Suu Kyi and the possibility in early, inaccurate reporting that she was personally hurt caused the greatest international outrage. This was the most strict of Myanmar sanctions, preventing the use of US banking facilities (including interbank transfers that went through New York), and further restricting travel to the US of higher ranking military as well as civilian employees of the government. The minuscule Myanmar assets in the US were frozen. All users of US banks needed to have individual US Treasury waivers, for example, to pay for programmes or international NGO personnel. All Burmese imports into the US were stopped, including textile imports that annually amounted to some USD356 million. The law was shortly amended to allow the import of educational materials, art, and handicrafts. Diplomatic relations, however, continued, although the representation by both sides was reduced over time to the *chargé d'affaires* level.<sup>43</sup>

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<sup>40</sup> See Executive Order 13047, "Prohibiting New Investment in Burma". May 22, 1997.

<sup>41</sup> One argument against such divestiture was that if the US oil giant Unocal (now Chevron) were forced to divest, their assets might be bought by Chinese firms, thus increasing the already vast Chinese presence in the economy.

<sup>42</sup> The anti-narcotics programme was also a very useful means to develop professional contacts between the Burmese and US militaries, and at least was so regarded by some in the US establishment.

<sup>43</sup> It should be remembered that the US did not lower the level of US representation in Burma on the basis of the coup. A US ambassador was nominated, but was not confirmed by the US Senate because the State Department neglected to bring to that body's attention his previous CIA connection. The second ambassador nominated was turned down by the Burmese because of his strong human rights statements. The Myanmar Embassy in Washington continued at the ambassadorial level until the ouster of General Khin Nyunt in October 2004, after which key Burmese ambassadors were recalled to Yangon. The US has not agreed to an exchange of ambassadors since that time, although the Myanmar government has nominated one for Washington. The Senate would have to confirm a new nomination of a US ambassador, and this may depend on changes within Myanmar.

The fourth stage, which occurred in 2008, was prompted by the brutal suppression of the Saffron Revolution of 2007.<sup>44</sup> It restricted the importation of jade and rubies of Burmese origin even if processed in some third country.<sup>45</sup> Also, US executive orders prohibited any US citizen (corporations are sometimes considered juridical persons) from aiding third party foreign investment in that country, purchasing shares in a third country business if its products are primarily for Burma, and required US representatives to vote against any multilateral financial assistance for which Myanmar was to be the recipient. The legislation also called for the appointment of a new, ambassadorial level, coordinator of the sanctions policy (one who did not hold any present State Department position), and for “direct” talks with the junta. Sanctions are annually renewed in the Congress. Both the 2003 and 2008 sanctions bills were passed in the heat of highly emotionally charged responses to perceived outrageous Burmese actions. Sanctions were extended by the White House on July 29, 2009.

In the semi-annual State Department reports to the Congress on Burma, the US government had most often called for the recognition of the results of the May 1990 elections, swept by the NLD, and thus in effect calling for the resignation of the junta. This was in fact a call for regime change, and the Burmese government interpreted it as such. The futility of such a demand on a foreign state by the US should have been obvious. The US lobbied hard for ASEAN to deny entry of Myanmar in July 1997, and the US, contrary to international practice, has refused to call that country Myanmar, instead using the older term Burma. High-level US officials did not travel to Myanmar, but in June 2007, in the last stages of the Bush administration, the Chinese arranged a meeting between a deputy assistant secretary of state with three Burmese ministers in Beijing. There were no apparent positive results of that meeting.<sup>46</sup> The lack of any follow-on relations during President Bush’s term was a Burmese decision, as the US was prepared for some positive future action.<sup>47</sup>

Perhaps to improve his standing in the SPDC or because he felt better relations with the US would be useful, General Khin Nyunt (as Secretary-1, the

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<sup>44</sup> It was neither saffron nor a revolution, but so popularly named because of other “coloured” revolutions elsewhere.

<sup>45</sup> A visit to Ruili on the China-Myanmar border illustrates the likely ineffectiveness of that legislation related to jade, as the well-designed and wealthy town has many dozens of jade shops. Burmese jade, according to anecdotal evidence, could still be bought in Honolulu in August 2008.

<sup>46</sup> High-level US officials visiting Myanmar would politically be expected to meet with Aung San Suu Kyi, but the junta would have been most unlikely to have allowed this. This was supposed to be a highly secret meeting, but it was leaked, although there seems to be a dispute as to which side made it public.

<sup>47</sup> Personal interview, Washington, D.C.

person in charge of international affairs, and the head of military intelligence) in 2002, took an initiative that eventually proved unsuccessful and may have contributed to his downfall. In February 2002, the State Department in its semi-annual report to the Congress on Burma, did not refer to the May 1990 elections, but rather to the need to improve human rights and governance, to which the US would positively respond. The change in the US position was one factor in the release of Aung San Suu Kyi on May 6 of that year.<sup>48</sup> This was followed by the visit to Washington of the highest ranking Burmese military official since the imposition of sanctions to discuss conditions for the removal of Myanmar from the list of countries engaged in narcotics activity.<sup>49</sup> (This was possible because of changes in the legislation prompted by the political need to ensure Mexico did not fall into that category.) It was only after the congressional elections of November 2002, which the Republican Party won, that the assistant secretary of state for Asia and the Pacific, at a Washington conference on Burma/Myanmar, reverted back to the hard line of the May 1990 elections, thereby vitiating any potential progress for improving relations between the US and Myanmar after the State Department anti-narcotics initiative.<sup>50</sup> This undercut Burmese officials who may have advocated improved US relations and internal reforms, and seems to have been prompted by senior congressional republican stalwarts against any compromise with the military junta.

The US continued to press for reforms in 2003:

U.S. policy goals in Burma include a return to constitutional democracy, restoration of human rights, including fundamental civil and political rights, national reconciliation, implementation of the rule of law, a more effective counternarcotics effort, HIV/AIDS mitigation, combating trafficking in persons, accounting for missing

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<sup>48</sup> Personal interview, Yangon.

<sup>49</sup> "While there is no evidence that the [Burmese] government is involved on an institutional level in the drug trade, there are continuing reports that corrupt army personnel may be aiding traffickers. The government implicitly tolerates continued involvement in drug trafficking by ethnic insurgents who have signed cease-fire agreements. These cease-fires have the practical effect of condoning money laundering as the government also encourages former drug traffickers to invest their ill-gotten gains in the legitimate economy." Report to the Congress on Conditions in, US Policy Toward Burma. 03 May, 2000.

<sup>50</sup> James Kelly, "The US continues to recognize the 1990 elections as a valid expression of the will of the Burmese people..." *Burma: Reconciliation in Myanmar and the Crisis of Change*. Conference Report, November 21–23, 2002, Washington, D.C. Johns Hopkins School of Advanced International Studies, p. 21.

servicemen from World War II, counterterrorism efforts, and regional stability We continue to encourage talks between Aung San Suu Kyi and the regime in the hope that the regime will live up to its stated commitment to political transition, leading to meaningful democratic change...Should there be significant progress towards those goals as a result of dialogue between Aung San Suu Kyi and the military government, then the United States would look seriously at measures to support this process of constructive change.<sup>51</sup>

In 2006, the State Department noted: “Overall U.S. policy goals include the establishment of constitutional democracy, respect for human rights and religious freedom...” and many more aspects of reform including the “immediate and unconditional” release of all political prisoners, including Aung San Suu Kyi, U Tin Oo, and Hkun Htun Oo.<sup>52</sup> Scott Marciel, deputy assistant secretary for East Asian and Pacific Affairs indicated, “So what the United States has been trying to do for years and, what we continue to try to do now, is to promote sort of political change in Burma that would bring about greater freedom for the people, democracy, and better governance, better policies so that the people of Burma can begin to move in the right direction, or begin to more their country in the right direction.”<sup>53</sup> Whether these more moderate statements are the equivalent of the bluntness of “regime change” is unclear.

US concerns about the well-being of the Burmese peoples was seemingly undercut by the US refusal to contribute to the Global Fund, which was to provide USD90 million over five years to fight malaria, tuberculosis, and HIV/AIDS. The ostensible reason given was that the junta would not allow proper monitoring of the programme, but it was likely the quiet objections of key congressional leaders, on whom the administration depended, to any programme seeming to assist the country. European donors then stepped in to provide USD100 million over the same period to fight the same diseases under the 3D Program (three diseases). That effort is presently underway and effective.

The past goals of US policy—regime change and/or reform, and the seating of a civilian government—had not been reached in two decades. Instead, it had produced a nationalistic reaction and the fear of invasion that, however

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<sup>51</sup> US Department of State, “Conditions in Burma and US Policy Toward Burma for the Period September 28, 2002–March 27, 2003. Washington, D.C. April 11, 2003. These reports are sent to the Congress under section 570 (d) of the FY 1997 Foreign Operations Appropriations Act, as contained in the Omnibus Consolidated Appropriations Act (Public Law 104-208) every six months.

<sup>52</sup> Bureau for East Asian and Pacific Affairs, “Conditions in Burma and US Policy toward Burma for the Period September 28, 2005–March 27, 2006.” April 17, 2006.

<sup>53</sup> Foreign Press Center briefing, Washington, D.C., November 8, 2007.

unrealistic to the outside world, was palpable in Myanmar among many of the senior Tatmadaw. Some inside Myanmar and in the expatriate community have called for a US invasion although it should be stressed that the NLD and Aung San Suu Kyi have never done so, and have advocated peaceful change.<sup>54</sup> Spurred by an effective lobby of democracy and human rights groups and expatriate Burmese, the US essentially allowed its policy toward Myanmar to be made by Aung San Suu Kyi, or by what others purported to be her current views, since she was generally unavailable under house arrest.<sup>55</sup> The statement that was issued in Singapore after UN Special Envoy Gambari's visit with her in 2007 was that she has left all options open. She had called for an important role for the military, although the platform of the NLD calls for civilian control of the military, impossible under the 2008 constitution. In a clarification of her views following the visit of Senator Webb, she was quoted by her lawyer that since she did not institute the sanctions policy, she could not eliminate it. This response did not answer the question of her previous approval of sanctions. She also is said to be against tourism and investment, saying that internal dialogue must preclude international dialogue.

Two aspects of US legislation create unanswered legal questions. In the Foreign Affairs and Reform and Restructuring Act of 1998, a provision (Section 1106) states that any US assistance to the UN development programme cannot be given to the government but only through NGOs and only after "consultation with the leadership of the National League for Democracy [NLD] and the leadership of the National Coalition Government of the Union of Burma". Since the NCGUB is a "parallel" government (or government-in-exile) and the NLD is an opposition party, questions of the legality of such legislation arise, and indeed of the US's authority over UN programmes. In the Burmese Freedom and Democracy Act of 2003 (the third tranche of sanctions), Section 2, (14) states, "The policy of the United States, as articulated by the President on April 24, 2003, is to officially recognize the NLD as the legitimate representative of the Burmese people as determined by the 1990 election". To this writer's knowledge, these anomalies have never been legally questioned.

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<sup>54</sup> The movie Rambo IV contributed to this fear. See David I. Steinberg, "On Rambo and Burmese Politics," PacNet #14, February 22, 2008. For a discussion of Burma/Myanmar in films, see Andrew Selth, "Burma, Hollywood and the Politics of Entertainment." *Continuum: Journal of Media and Cultural Studies*. vol. 23, no. 3 (June 2009), pp. 321–334.

<sup>55</sup> In a meeting to consider the annual renewal of sanctions by the House of Representatives Asian Subcommittee, at which this writer testified, Chairman Leach asked a Burmese dissident, who was testifying, whether Aung San Suu Kyi approved of the sanctions, and when she responded positively that Aung San Suu Kyi did, then Congressman Leach replied, "Then we will approve the sanctions."

The Government Accountability Office, in its report on the 2008 sanctions, “International Trade. US Agencies Have Taken Some Steps, but Serious Impediments Remain to Restricting Trade in Burmese Rubies and Jadeite”, indicates both the technical and international difficulties in fulfilling the legislation’s intent, and the lack of various measures by US agencies in taking the required actions.<sup>56</sup> The law, thus, has been ineffective.

The US government had officially decried both the proposed constitution of 2008, and the referendum that would bring it into effect in 2010, following the elections of that year and the formation of the bicameral legislature. One practical result of this attitude was the Burmese refusal to allow US ships and helicopters to deliver relief supplies directly to the victims of Cyclone Nargis, causing great external consternation about the callousness of the SPDC. This refusal, and the initial reluctance and neglect by the Burmese government to provide assistance to the victims of the cyclone, led the French foreign minister to propose employment of the United Nations’s “Responsibility to Protect” (R2P) provision that would allow foreign assistance to a state even when it denied such action. This was originally passed in 1995 to be used in cases of war. Wisely, this was not implemented. The Burmese feared a US invasion and the cyclone relief effort seemed a plausible excuse to carry it out since the US had been calling for regime change for almost two decades.<sup>57</sup> Had the US insisted on a military intervention for solely humanitarian purposes, it seems likely that there could have been a Burmese military response that could have escalated into some form of limited skirmishes or warfare. Further, the junta did not want foreign observers during the voting on the referendum in the Delta area, which was postponed from May 10 to May 24, but the military was under extreme pressure to admit them, which they did following the May 24 voting, thus ensuring that the referendum would not be observed by foreigners.<sup>58</sup> The junta had denied foreign requests for observers of the May 10 referendum in other parts of the country.

In January 2007, the United States brought to the Security Council a resolution calling for censuring Burma/Myanmar as a threat to regional peace and security.

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<sup>56</sup> Government Accountability Office. Washington, D.C. GAO-09-987. September 2009.

<sup>57</sup> A leaked high-level junta memorandum indicated fears that if the US forces were allowed in, they would not leave. The invasion fear was also evident in 1988, when the US carrier *Coral Sea* was in the Bay of Bengal supposedly to evacuate US civilians if necessary, but in Burmese eyes possibly to land forces in the country. This 1988 incident was mentioned by senior officials as late as 2007. Rumours persist that if the US landed forces in southern Burma, the Chinese would have sent 20,000 troops to occupy the northern Shan State.

<sup>58</sup> It seems likely that the date of the referendum (May 10) was determined by astrological calculations as the most auspicious time for it from the government’s vantage point. Such important dates are normally so fixed. So completely changing that date was inappropriate, and the referendum was held on May 10 in the rest of the country.

This was vetoed by both China and Russia, which claimed that the Economic and Social Council of the UN should handle the problem of Burma/Myanmar. They opposed Security Council involvement because none of the neighbouring countries of Myanmar had indicated that such a threat existed. That a veto was anticipated indicated that the US attempt to place Burma/Myanmar on the agenda was more to satisfy internal US pressure groups than to affect change. The 2007 Congressional Gold Medal was awarded to Aung San Suu Kyi, indicating a continuing commitment to her and her purported goals.

The White House under President Bush increased worldwide attention and pressure on the regime. In May 2007, President Bush invoked the cry that Burma was “a continuing unusual and extraordinary threat to the national security and foreign policy of the United States.” First Lady Laura Bush had met with dissidents and issued a number of public statements against the junta, and even held an unprecedented press conference on the subject.<sup>59</sup> Even while some members of the administration had recognised that the sanctions policy had not achieved its objective and was not likely to do so, publicly condemning Burma/Myanmar remained politically popular and no doubt was also motivated by personal conviction and moral indignation. In the waning days of the Bush administration in the fall of 2008, the administration nominated an ambassadorial-level appointment to coordinate Burma policy (as stipulated in the 2008 sanctions legislation), but he could not be confirmed before the Obama administration came into power. Myanmar would continue, in the words of an Obama administration official, to be a “boutique issue,” but US policy, according to Secretary of State Clinton, was under review, and in September 2009, a new policy was articulated.

In a gesture as much political as humanitarian, Secretary of State Rice in 2006, announced the amendment to the Immigration and Nationality Act that restricted entry into the US of Karen who had been members of, or who supported, the Karen National Union and the Karen National Liberation Army (both of which had engaged in violent acts against a government and thus members would have been denied entry under the Patriot Act provisions). In US fiscal year 2007, 13,896 were admitted (28.78 per cent of all refugees—the largest in the world); in FY 2008, 18,139 were admitted of whom some 17,000 were Karen. The Karen has been the largest group admitted to the US since 2006. This probably relates to the lobbying by Christian organisations that have claimed persecution in Myanmar; the US lists Burma as a country of concern related to religious freedom (both Christian and Muslim).

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<sup>59</sup> She also wrote an op-ed in the *Washington Post* in late June 2009, obviously hoping to influence the reconsideration of US policy.

## US-China Relations in the Myanmar Context

US relations with China in the Asian context are a study in contrasts. The most important issue has been that of Taiwan, presently eased because of the new government there. One might argue that (at least until recently) the United States had outsourced to China its foreign policy toward North Korea. China was the critical factor in the improvement in US-North Korea relations in the latter part of the second Bush term, and the impetus behind the Six-Party Talks. North Korea is one place on the Chinese periphery where Chinese and American interests coincide. The juxtaposition of that policy with the one toward Burma/Myanmar is evident. In that context, China has been blamed by many in the US for the continued survival of the military regime in Myanmar in spite of four tranches of US sanctions. As one Burmese dissident wrote, “We must realize that Burma is a virtual captive state of China.”<sup>60</sup>

This view is flawed. To many observers of the Burmese scene, it seems evident that the Myanmar regime would continue to survive even lacking the massive external support provided by China. The isolation of the BSPP period, village subsistence economies, relative informational isolation, and the coercive power of a strengthened military (even without the \$3 billion in Chinese military assistance) would have ensured regime continuity. In spite of the cries of anti-government expatriates for a score of years that economic conditions were leading to regime collapse and failure, Myanmar has been able to survive. Chinese assistance has been important to the Burmese junta, but not for its survival, but for its strengthened control. Although dependence on China seems self-evident, there is a tendency to underrate the vehemence and potential of Burmese nationalism, which in the view of this writer will limit all foreign influences on key national concerns. Myanmar has attempted to balance Chinese support by buying MIG-29 aircraft and an experimental nuclear reactor from Russia, and improving relations with India, which is also supplying assistance.<sup>61</sup>

In contrast with the single strand of United States policy toward Myanmar, Chinese goals in Myanmar are far more complex. They range from the long-term strategic interests to the practical: access to the Indian Ocean (the “string of pearls”—ports open to the Chinese in Pakistan, Sri Lanka, Bangladesh, and Myanmar), Bay of Bengal, exploitation of Burmese natural resources such as teak and minerals, but most importantly, energy—gas and hydroelectric power

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<sup>60</sup> Aung Din, “Burma’s Last Chance.” *Far Eastern Economic Review*, May 26, 2009.

<sup>61</sup> Indian interests not only are focused on countering excessive Chinese influence in Myanmar, but relieving tensions and rebellions in its own northeast region bordering Myanmar, where local ethnic groups straddle the arbitrary colonial-imposed frontier.



are valuable Burmese assets. Obviating too great a reliance on the Straits of Malacca for the shipment of imported energy (80 per cent of imported Chinese energy navigates the Straits) is a long-range strategic goal, so pipelines across Myanmar for Burmese natural gas and Middle Eastern crude oil are important.<sup>62</sup> Myanmar as an element in a potential rivalry with India, in spite of the present good relations, is evidently part of Chinese strategic planning. More immediately, Myanmar is an outlet for Chinese firms from its southwest that cannot economically compete with products of Chinese manufacture with easy access to the Pacific Rim. This has led to an influx of Chinese illegal immigrants so that there now may be some two to three million Chinese in Myanmar—some 4 per cent of the total population (not counting a very large number of Sino-Burmese, many of whom achieved great prominence in that society).<sup>63</sup> Yunnan has also its own economic interests in Myanmar, such as selling electricity of Burmese origin to other Chinese provinces, although supportive of Beijing.

To a foreign observer, China's immediate goal in Myanmar is the continuation of a stable, friendly relationship. Stability has both internal and external elements. Continued unrest both at the political centre and among the minorities could subvert Chinese accomplishments and goals.

An unresolved issue that will reach a critical juncture in the near term is the question of the minority ethnic armies that have cease-fires with the government. Under a previous junta plan, they were to turn over their weapons before the constitutional referendum of May 2008. This did not happen, and according to latest reports, the junta wants them transformed into border guard forces with a significant number (about 10 per cent) of Tatmadaw personnel and one-third of its commanders in each battalion.<sup>64</sup> There is a reluctance to do this, because it would mean the effective elimination of the cease-fire armies. Some believe that the Chinese prefer the status quo and tranquillity on its southern frontier through which its two pipelines will be laid. Two cease-fire groups (the Wa and Kokang) have reportedly refused to comply. The Kachin have called for their troops to be known as a "State Security Force." What the final outcome will be is uncertain at this writing, but at the end of August 2009, fighting broke out between the Kokang area cease-fire troops and those of the Tatmadaw, and the defeat of the small

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<sup>62</sup> A retired Japanese general mentioned that if China could import oil through Myanmar and avoid the Malacca Straits and the South China Sea that was not in Japan's national interest. Personal interview.

<sup>63</sup> The Chinese Embassy in Yangon estimates that there are 2.3 million Chinese in Myanmar. Other estimates claim 3 million. Li Chenyang and Lye Liang Fook, "China's Policies toward Myanmar: Is it a Successful Model of Dealing with Myanmar Issue". Kunming, China, July 2009 conference paper.

<sup>64</sup> Brian McCartan, "China Drawn into Myanmar's Border Strife". *Asia Times*, on line May 28, 2009.

Kokang forces.<sup>65</sup> This prompted tens of thousands of refugees to flee into China, a situation of considerable concern to the Chinese administration, as it has been on their North Korean frontier. Whether this presages further outbreaks of violence and thus threatens the elections of 2010, or indeed the new government is unclear at this writing. What is evident, however, is that minority issues remain the most important and volatile problem facing this, or any, Burmese government. It seems evident that China has put quiet pressure on the junta for some kind of positive changes, for as one former Chinese ambassador to that country is said to have privately remarked, "We [Chinese] are walking on eggshells in Myanmar." Chinese authorities have begun to be in touch with the opposition in Yangon, and it seems likely that it would be in Chinese interests to see a modestly successful government that could moderate its regime and control the populace to prevent spontaneous outbursts of agitation. It is evident that China believes Myanmar should improve relations with the US, thus arranging (and it is said being the impetus) for the deputy assistant secretary of state to meet with three Myanmar ministers in Beijing in June 2006, but little seems to have come from that meeting because of Burmese reluctance to follow through (perhaps because the meeting was leaked to the public). Cynical observers believe that this might have been an attempt by the US to improve the Bush negative foreign policy legacy by the amelioration of tensions in the waning days of that administration, but it obviously did not work. That the meeting could not be held in Yangon or Naypyidaw was probably because a senior American official politically could not go there without seeing Aung San Suu Kyi, and this the junta was unlikely to have allowed at that time.<sup>66</sup>

Although immediate relations between China and Myanmar are good, the longer-term danger lies in the obvious wealth and economic role of the increased Chinese presence. One might speculate that the future middle-class of Myanmar will be composed of Chinese and retired higher-level military, and insofar as foreigners are perceived to control the economy and have a far higher standard of living in a poor country, ethnic retribution may occur, as in 1967 in Rangoon, and in Jakarta in the early 1990s. Foreign control over economic assets was one reason for the early swing to socialism in the rise of Burmese nationalism.

The difference between Chinese and US negotiating styles is evident. The bombastic US public criticisms demand negative and public responses from the highly nationalistic junta, while the quiet, private suggestions of the Chinese

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<sup>65</sup> The Chinese were said to have been interested in the stoppage of production of an arms factory in the Kokang area that was said to be supplying Tibetan dissidents.

<sup>66</sup> This is a tactical issue. Should UN Secretary General Ban Ki-moon have visited Myanmar in July 2009 without advanced approval to meet with Aung San Suu Kyi? This is the subject of some debate.

may be treated with greater consideration. "Given the hostility shown towards Burma's military government by the US over the past twenty years, one of the biggest challenges faced by Washington will be to overcome the lack of trust felt in Naypyidaw."<sup>67</sup>

## The Role of Aung San Suu Kyi

There is little question that Aung San Suu Kyi is the most important element in the formation of US policy toward Burma/Myanmar. The irony is that the junta's most vilified enemy should have been given this role by the junta itself, for it has effectively created its own nemesis, and then continuously engaged in crude attempts to delegitimise her and her potential role. This in turn increased her international prestige, thus causing more problems for the junta than were necessary.

In a sense, as Aung San, her father, has become a mythic image internally in the Burmese struggle for independence, she has become somewhat of a mythic image at least to the international and expatriate community, in the struggle for democracy. Present positions are ascribed to her even though she has not been able authoritatively and in any detail to articulate what she presently believes, so the outside world generally relies on her previous public positions, and there are many in the expatriate community who interpret what she believes, or is said to believe.<sup>68</sup> At the same time, if one were to criticise a position said to be held by her, then one is told that this is unfair as she cannot respond. So, uncritical acceptance of her purported views influences policy. In popular parlance, she has become a virtual Joan of Arc.

Aung San Suu Kyi's August 2009 meeting with Senator Webb raised the sanctions issue, about which she wrote to General Than Shwe, with the possibility of some sort of compromise, as the senior general had earlier said that if she backed off from supporting sanctions there might be some room for agreement. It is too early to know the outcome, but it seems unlikely that the junta would agree to any change which they might interpret as threatening the planned elections.<sup>69</sup> Following that meeting, she was granted interviews with

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<sup>67</sup> Andrew Selth, "The US and Burma: Where to Go from Here?" Found at <http://www.lowyinterpreter.org/post/2009/04/28/US-Burma-Where-to-from-here.aspx>. One should remember that after 9/11/2001, the Burmese administration cooperated with the US on anti-terrorism issues, including allowing US military flights over Myanmar, and some counter-terrorism activities.

<sup>68</sup> A former senior pro-opposition congressional staffer was quoted as having said, "I know more about what Aung San Suu Kyi thinks than Aung San Suu Kyi!"

<sup>69</sup> At one point in the 1990s, she was against even humanitarian assistance, but this position evolved over time. Personal interviews, Yangon.

Western foreign diplomats so that she could learn of the full extent of their sanctions policies.

Gender has played an important element of her position. The junta claims she cannot be a national leader both because she is a woman and was married to a Westerner, and thus in their eyes sold out to foreigners.<sup>70</sup> To the foreign community, because she is a woman, seemingly vulnerable in the face of a powerful military, she has an added mystique, and her birthday has been made into an International Woman's Day. She is, without question, the most renowned political prisoner in the world today, and Burma/Myanmar is the last good cause (much as anti-apartheid activities were earlier in South Africa, and the loyalist cause in the Spanish Civil War was in the 1930s), and thus, attracts international moral support.

## US Policy under the Obama Administration

A thorough and extensive review of US policy toward Burma/Myanmar took place in the spring of 2009. Even before the conclusion of that review, however, a statement of US policy (2009) came from the secretary of defense:

We also have to contend with the problem of Burma, one of the isolated, desolate exceptions to the growing prosperity and freedom of the region. We saw Burma's resistance to accept basic humanitarian aid last year following Cyclone Nargis – a decision indicative of that country's approach to the rest of the world. We need to see real change in Burma – the release of political prisoners, including Aung San Suu Kyi, and the institution of meaningful dialogue between the junta and the opposition.<sup>71</sup>

Although this was not intended as a comprehensive review of US policy, as it was one of a number of issues raised by the secretary, it may have indicated a diminution of the extent of US goals even before the official reviews of policy toward Burma/Myanmar were complete. Secretary of State Clinton held out the possibility of US investment in Myanmar should Aung San Suu Kyi be released.<sup>72</sup>

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<sup>70</sup> There is continuity of the issue of Burmese women and Western men. See Rudyard Kipling's poem "The Road to Mandalay" and its paean to Burmese women, and George Orwell's *Burmese Days*, in which the hero has a Burmese mistress.

<sup>71</sup> Secretary of Defense Gates in Singapore, May 30, 2009.

<sup>72</sup> *The Washington Post*, July 23, 2009.

This was followed in August by the visit to Burma/Myanmar by Senator Webb, who held discussions with both the Senior General and Aung San Suu Kyi and seemed to have moved the sanctions issue forward, as following his departure Aung San Suu Kyi requested (and had) a meeting with Western diplomats to ascertain the details on their sanctions policies.

During the last week of September 2009, Assistant Secretary of State, Bureau of Asia and Pacific Affairs, Kurt Campbell announced the new position of the Obama administration related to Burma/Myanmar. He had also met with U Thaug, the minister of Science and Technology, in New York to discuss these issues. The conclusion was essentially a continuation of the sanctions policy as well dialogue with the regime. In terms of American political realities and the pressures on the Obama administration to secure congressional support for other higher priorities, with Burma/Myanmar still a “boutique issue”, this was not unexpected. Much will depend on how the junta responds both to the US openings and to Aung San Suu Kyi’s initiative. The initiative for change now is clearly with the junta, for without some significant policy alteration, modification of US policies towards Burma/Myanmar is unlikely.

The response of the Burmese government to any requests or demands for reform, whether from the Chinese, the Americans, ASEAN, or the UN is likely to be that the government is earnestly working toward bringing about “disciplined-flourishing democracy” through the constitutional referendum that was overwhelmingly approved (one might say, Stalinistically approved) by the Myanmar people, and that the state is preparing for the forthcoming 2010 elections with opposition parties participating, after which the constitution, with its provision for the protection of various rights (subject, of course, to Burmese law and political priorities), will come into force. This, they will claim, is more than many other states have, including China, Vietnam, Laos, etc. This, they might also claim, should provide a basis for improved relations. Although they may not say so, at that time they may well free Aung San Suu Kyi and other political prisoners, for the pattern for the military’s continued grip on essential power (no matter how civilians may raise issues in the legislature) will be assured. UN Secretary-General Ban Ki-moon has said that the senior general has promised free and fair elections in 2010, but both avoided discussing the taut ring that the military will hold on the resulting legislature (no matter how free and fair the campaigning and vote counting may be) through its 25 per cent active duty military presence in it and the election of some significant number of pro-junta representatives.

The question of a disputed legitimacy will continue to arise related to that country. Important political elements in the United States will probably continue to claim that any new administration resulting from the elections and the new

constitution is not legitimate. Other foreign states would likely moderate that position. An essential issue, however, is how the populace views the internal legitimacy of the new government under the new procedures. This may well depend on how the elections are carried out. Not only must the vote-counting in the country be deemed fair, but the campaigning must be far more open than it was in the 1990 elections.

A realistic appraisal of the future role of the military in Myanmar society over the next decade or two must take into account the issue of social mobility, which in essence is under the direct or indirect domination of the military. Until alternative avenues open (the private sector, independent and prestigious NGOs, academia, politics) that allow ambitious youth to seek alternatives to success outside of military controlled channels, the military will continue to dominate. Such changes, were they to occur, might take a generation to have an effect. This has happened in South Korea, in Thailand, and to a degree in Indonesia. Eventually, it is likely in Myanmar as well, but not quickly. There has also developed a new generation—the sons of the military leadership—who are likely to play influential roles into the future both within the military and in the society more broadly, thus further limiting civilian influence in any new administration. The military's influence in the economic sphere through its wholly owned conglomerates, the Myanmar Economic Holding Corporation and the Myanmar Economic Corporation as well as economic ventures from the Ministry of Defence (Office of Procurement) itself, will ensure highly influential impact on any economic activities the Tatmadaw deems important.<sup>73</sup>

Thus, however welcomed the Obama initiative has been, the sentence of guilty in the trial of Aung San Suu Kyi, no matter how mitigated by Than Shwe, effectively demonstrated differences in Burmese and US policies. The positive visit of Senator Webb, who was able to see both Than Shwe and Aung San Suu Kyi (in contrast to the visit of Ban Ki-moon), was a welcome initial step in the dialogue that Secretary Clinton had enunciated. His visit was denounced and somewhat disillusioned some of Aung San Suu Kyi's core constituents as providing enhanced legitimacy to the regime, as well as by conservative groups and media, such as the *Weekly Standard*. The publicity afforded the visit in Myanmar indicates that the state used that visit for its own purposes, but the trip was important both in itself, and in the potential it has unleashed, although the effects may not be felt until the elections of 2010 have taken place. The US has already denounced the 2008 constitution, and will likely do the same for the

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<sup>73</sup> See David I. Steinberg, "Burma/Myanmar: The Role of the Military in the Economy." *Burma Economic Watch* (on-line, August 2005).

elections of 2010. The junta would have to open up free campaigning, which includes the modification of the Press Censorship Law, among other unlikely events. ASEAN, the UN, Japan, and some donors, in contrast to the US, may agree that modest progress has been made, and that the new government should adhere to the provisions of the new constitution on human and other types of rights, as well as to the human rights provisions of the ASEAN Charter. But, as one foreign diplomat said in Yangon, "We will not hold the government to a high international election standard."<sup>74</sup> The US may then continue to be the severest critic on the Naypyidaw government, even as it engages in dialogue.<sup>75</sup>

Although many in the expatriate community and others have wanted to see a political solution that would push the military back into their barracks, there are a number of influential voices that now maintain that the Tatmadaw must be part of the solution. Aung San Suu Kyi has in the past stressed the importance of the military (which her father essentially founded). This could allow some room for compromise.

The US has sent signals, not only with Senator Webb's trip, but with the welcome change in US policy, and the US signing the ASEAN Treaty of Amity and Cooperation, which the US had not signed essentially because of Burma. This could improve relations in a region critical to the US but which has been treated with an unfortunate degree of irrelevance.<sup>76</sup> If Myanmar decides after the 2010 elections that it now wants to chair ASEAN since it then would have become a "discipline-flourishing democracy", an honour it gave up (or was persuaded to give up) in 2006, how would the US respond? The next two years will test the Myanmar administration, the role of the military in that country, whatever opposition is allowed to exist,<sup>77</sup> and the flexibility of the United States and its allies in dealing with the Burma/Myanmar issue.

The interplay between domestic and foreign policies have been well noted in the literature.<sup>78</sup> In the case of Burma/Myanmar, the relationships are intimate. A cynic might raise the question of how much the US actions have been theatre played to a domestic audience, and how much they have been in pursuit of the interests of the Burmese people or the United States. Following the installation

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<sup>74</sup> Personal interview, Yangon.

<sup>75</sup> A Chinese official suggested that the US follow ASEAN's lead on Myanmar policy. Personal interview.

<sup>76</sup> Secretary of State Clinton's personal visit to the ASEAN secretariat in Jakarta was a welcome change in US policy.

<sup>77</sup> This writer has argued that the conscious or unconscious model for opposition parties may be those under Suharto in Indonesia, which were severely circumscribed.

<sup>78</sup> See Peter Gourevitch, "The Second Image Reversed: The International Source of Domestic Politics." *International Organization*. 32, 4. Autumn 1978.

of a newly elected legislature in Naypyidaw and the inauguration of the new constitution, the “boutique issue” of Burma/Myanmar and the dilemma of how to deal with an increasingly isolated Burma/Myanmar policy may grow to occupy a more prominent position in US thinking.

In the classic Chinese novel *San Guo Yan Yi* (*Romance of the Three Kingdoms*), the famous general Zhu Ge Liang said that when he surrounded a city, he left one gate unguarded so the enemy had a way out. Centuries-old sound advice in an attempt to negotiate seemingly intractable issues, but it now seems that in Myanmar-US relations all gates are still heavily guarded, alas, but there are at least discussions over the lintels.



# Appendix I

## THE WHITE HOUSE

### Office of the Press Secretary

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For Immediate Release May 15, 2009

### NOTICE

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### CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO BURMA

On May 20, 1997, the President issued Executive Order 13047, certifying to the Congress under section 570(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (Public Law 104-208), that the Government of Burma has committed large-scale repression of the democratic opposition in Burma after September 30, 1996, thereby invoking the prohibition on new investment in Burma by United States persons contained in that section. The President also declared a national emergency to deal with the threat posed to the national security and foreign policy of the United States by the actions and policies of the Government of Burma, invoking the authority, inter alia, of the International Emergency Economic Powers Act, 50 U.S.C. 1701 et seq.

On July 28, 2003, the President issued Executive Order 13310, taking additional steps with respect to that national emergency by putting in place an import ban required by the Burmese Freedom and Democracy Act of 2003 and prohibiting exports of financial services to Burma and the dealing in property in which certain designated persons have an interest. On October 18, 2007, the President issued Executive Order 13448, expanding the national emergency declared in Executive Order 13047 and taking additional steps to prohibit transactions or dealings with certain persons, including the Burmese regime's financial supporters and their companies, as well as individuals determined to be responsible for or to have participated in human rights abuses or to have engaged in activities facilitating public corruption in Burma.

On April 30, 2008, the President issued Executive Order 13464, taking additional steps with respect to the national emergency declared in Executive Order 13047,

in order to address the Government of Burma's continued repression of the democratic opposition in Burma.

Because the actions and policies of the Government of Burma continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, the national emergency declared on May 20, 1997, and the measures adopted on that date, July 28, 2003, October 18, 2007, and April 30, 2008, to deal with that emergency, must continue in effect beyond May 20, 2009. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency with respect to Burma. This notice shall be published in the Federal Register and transmitted to the Congress.

BARACK OBAMA  
THE WHITE HOUSE,  
May 14, 2009.

## Appendix II

### Burma (Myanmar) US Assistance [current US\$ millions]

#### Economic Assistance

Total loans and grants 1946-2007	346.7
of which loans 1946-2007	63.9
of which USAID 1962-2007	135.3
of which narcotics control 1962-2007	64.4
of which migration/refugee assistance	10.3

#### Military Assistance

Total 1946-2007	94.4
of which 1949-1952	3.1
of which 1953-1961	40.5
of which 1962-2003	46.9
of which 2005	3.8

### Burma (Myanmar) US Assistance [constant 2007 US\$ millions]

#### Economic Assistance

Total loans and grants 1946-2007	1,082.6
of which narcotics control 1962-2007	127.3
of which migration/refugee assistance	12.4

#### Military Assistance

Total 1946-2007	504.9
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*Source: US Overseas Loans and Grants: Standard Country Report [Greenbook]*



# Political Space and the EU's Approach to the Burmese Issue<sup>1</sup>

*Xavier Nuttin*<sup>2</sup>

To discuss the case of Myanmar in the context of political development in Southeast Asia is a major challenge as proved by the lack of progress in the last decade. With elections coming up next year, we might be at a turning point and this makes it even more important to exchange on the issue. Regardless of the opinion each of us had on the past or on the present, what really matters is the future. What matters is what is happening everyday to the 54 million Burmese citizens.

In my presentation, I will first examine the EU's assessment of the current political and socio-economic situation and its approach to address Myanmar's political problems. I will then look at the role that China, ASEAN, and India could play before suggesting some ideas for a possible strategy forward.

## **The EU Assessment of the Current Political Situation**

Despite the chaos and humanitarian disaster caused by Cyclone Nargis in the Irrawaddy Delta, a constitution was approved through a referendum in May 2008 and elections will take place in 2010, according to the government's *Seven-step road map to disciplined democracy*. This roadmap was designed and decided without the participation of the opposition forces nor of the ethnic minorities.

Regarding the constitution, both the process and the result fails to meet the basic democratic requirements: the text prepared by the government, handpicked representatives, foresees restrictions on the eligibility for high political office, allows the military to keep a controlling minority in the future parliament and to suspend the constitution at will, and fails to accommodate the country's ethnic diversity. The 2008 referendum<sup>3</sup> was devoid of any democratic legitimacy as the

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<sup>1</sup> I speak here in my personal capacity and do not represent officially any EU institution. Any opinion expressed in this paper are my own and do not necessarily represent the official position of the European Parliament

<sup>2</sup> Xavier Nuttin, Policy Unit, DG External Policies, European Parliament.

<sup>3</sup> The tropical storm Nargis struck the Irrawaddy Delta on 3 May 2008, causing a disaster of unprecedented magnitude in Burma, which left 140,000 people dead and more than 2.5 million people homeless. While all efforts and available resources of the country should have concentrated on emergency aid for the victims, the regime organised the second leg of the referendum in the Delta on 24 May, when only a quarter of the population had received any kind of humanitarian assistance and all were still struggling for survival.

opponents were prevented from campaigning. The then UN special rapporteur on human rights in Burma Paulo Sérgio Pinheiro summarised it all when he said: "How can you have a referendum without any of the basic freedoms?"

As for the 2010 elections, little is known at this stage but the EU considers that the authorities still have to take the necessary steps to make the elections credible and inclusive. So far the legal basis has not been published and it is not yet clear which parties will be allowed to participate in those elections. The junta-created USDA (Union Solidarity and Development Association), that is notorious for attacks on Aung San Suu Kyi (ASSK) and for the repression in September 2007, is being transformed into a political party with the obvious objectives to control the voting process and win the elections.

In early May, the National League for Democracy (NLD) clarified its position and put three conditions on its participation: release all political prisoners; review the undemocratic aspects of the constitution; and hold free and inclusive elections with international observers. It is unlikely that the generals will agree to these conditions: after miscalculating the results of the 1990 elections, they have learned from experience and are unwilling to leave much to chance this time.

The violent repression that followed September 2007 was followed by popular events in Yangon, which started as a protest against the regime's economic mismanagement. This led to condemnation of lengthy jail sentences (up to sixty-five years) for those who participated in these events, and also for individuals like the comedian Zarganar who was sentenced to forty-five years, for providing assistances to his countrymen in need. After the cyclone, it was clearly demonstrated that the regime refuses any challenges and is prepared to go to any length to repress democratic efforts.

The arrest of Aung San Suu Kyi on 14 May 2009, accused of breaching the conditions of her detention under house arrest, is another terrible blow to national reconciliation. In this regard one should remember that the UN, through its Working Group on Arbitrary Detention, said last March that the detention of ASSK violates both international legislation and the laws of Burma. The trial is a farce, which challenges all the principles of a rule-of-law state and is clearly organised to prevent ASSK, and possibly her party, from participating in the 2010 elections.

Will, or could, the 2010 elections have an impact upon the country's transition to democracy? Certainly it is better to have a 75 per cent civilian government than a 100 per cent military one. In that sense it is a step forward, but all depends on who will be allowed to participate in the elections, and therefore who will be the civilians sitting in the new parliament, and how they will be organised. Elections could be welcomed by the international community, if they are transparent,

inclusive, based on a dialogue among all the stakeholders, and if all restrictions imposed on political parties are lifted.

Myanmar's problems are rooted in poor policy, governance, the absence of rational economics, development strategies, and weak institutions. For the sake of regional stability and for the good of the Burmese population, what is needed is a transition to a legitimate civilian government that would lead to national reconciliation and address the appalling socio-economic situation of the country.

## **The EU Approach to Burma/Myanmar**

This analysis, together with a strong commitment to the well-being of the people of Burma/Myanmar, forms the basis for EU action. According to the EU, national reconciliation can only be achieved through genuine dialogue with all stakeholders, including those from the ethnic groups.

To achieve its goal the EU has applied restrictive measures, or sanctions, on the Burmese regime since 1996. The current range of sanctions consists mainly of a visa ban for the country's top officials and their families; an arms embargo; a freezing of assets of members of the military regime and their cronies; and a prohibition of making credit available to state-owned enterprises. Since 2007 additional restrictive measures on exports, imports, and investments of timber, metals, minerals, and precious stones have been imposed. These measures were confirmed and renewed for a further twelve months by the EU on 27 April 2009.<sup>4</sup>

The EU ministers also expressed full support for the good offices of the UN envoys, Mr. Gambari and Mr. Quintana, and welcomed the one-year extension of the mandate of the Tripartite Core Group (UN, ASEAN, and Burma) in coordinating the post-Nargis rehabilitation efforts. The EU also called for the immediate release of all political prisoners. According to Amnesty International, there are currently over 2,100 political prisoners in Myanmar's jails, and twenty-one people remain behind bars for their independent post-cyclone relief efforts.

At the same time, the EU "reiterated its readiness to revise, amend or reinforce these measures in light of developments on the ground...and to increase its assistance to the people of Myanmar". The EU remains, therefore, open to dialogue with the authorities, and to respond positively to genuine progress on the ground.

But when messages are sent to Yangon that a softer approach could be considered, the military takes measures, such as the arrest of Aung San Suu Kyi,

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<sup>4</sup> There are also calls for an international embargo on arms exports to the regime and for targeted financial sanctions to prevent access to international banking services by leading military officials and their business partners.

that forced Javier Solana, the EU top foreign policy representative, to declare on 19 May, “It is not the moment to lower sanctions, it is the moment to increase them”.

There is however within the EU a hot debate on sanctions: while sanctions do send a strong political message, they are, and will remain, ineffective as long as the close neighbours of Myanmar do not join in. Twenty years of economic sanctions clearly have had minimal effect on the regime as the country’s neighbours continue to trade and invest in Burma. Moreover, while sanctions and boycotts are used by the military to explain the country’s economic difficulties, they do not stop business; they just make it more expensive, a point clearly made by the private sector in Rangoon.

The question is therefore: why does the EU extend for another year a measure that has not worked and that has arguably contributed to widespread poverty? As stated earlier there is an ongoing debate among the EU institutions and the European Parliament (EP), whose influence is growing, is pushing for a harder line.

The EP has voted eleven resolutions on Burma during the 2004–2009 legislature (elections took place the first week of June 2009 for a new EP); the last one on 23 October 2008. Each of them takes a very strong position against the current regime and puts pressure on the twenty-seven member states to apply stronger measures. For example, in May 2008, days after Cyclone Nargis, the EP took the view that, if the Burmese authorities continue to prevent aid from reaching those in danger, they should be held accountable for crimes against humanity before the International Criminal Court (ICC) and called on the EU member states to press for a UN Security Council resolution referring the case to the prosecutor of the ICC for investigation and prosecution. In the same resolution the EP reiterates that the sovereignty of a nation cannot be allowed to override the human rights of its people, as enshrined in the UN principle of “responsibility to protect”.

In its most recent resolution on 23 October 2008, the EP asks the EU to broaden targeted sanctions to include access to international banking services for companies, conglomerates, and businesses owned by or closely linked to the Burmese military; to halt all imports of Burmese manufactured clothing; and to terminate access by selected generals and their families to business opportunities, health care, consumer purchases, and foreign education.

The EP has indeed a specific role to play: it is the champion of human rights, democracy, good governance, and the rule of law. The EP promotes EU values worldwide as key aspects of our external relations, in addition to EU interests. The EP also supports democracy-building efforts because democratisation contributes to reducing poverty in all its dimensions.



The EU approach is however not a sanctions-only approach. There is, as stated before, a strong commitment to the welfare of the people of Myanmar. Humanitarian assistance provided inside Burma under the current *EU Burma Country Strategy Paper* focus on health and education with a budget of EUR32 million (USD50 million). The EU-funded Three Diseases Fund (a programme to combat HIV/Aids, Tuberculosis, and Malaria) has replaced the Global Fund that withdrew from Burma in 2005 after intense pressure from US-based groups. Further assistance is provided on a large scale to support the Burmese refugee camps along the Thai border. In addition, the EU (European Commission plus the twenty-seven member states) has allocated more than EUR60 million for emergency relief after Cyclone Nargis.

Flexibility and a multi-fold approach are therefore important concepts in the EU strategy towards Burma, which is a balanced policy that combines pressure with incentives to change and where sanctions are part of a broader toolkit.

### **The Role of China, India, and ASEAN Seen from the EU Perspective**

The close neighbours of Burma are the ones, and maybe the only ones, that can have an impact on the regime. The EU therefore stresses the importance of coordinating with China, ASEAN, and India, and plans to intensify its close consultations with these Asian partners through its appointed special envoy for Burma/Myanmar, Piero Fassino.

There is little doubt that China through its military assistance, its trade relations, and its diplomatic support at the UN is a key factor in maintaining the regime in power.

China has indeed been looking at Burma as a supplier of natural resources and a direct route to the Indian Ocean for many years. (Timber, gems, natural gas, and oil are the main Burmese exports to China. The PRC is building a pipeline directly linking its landlocked Yunnan province to the Gulf of Bengal and has massively invested in roads and railways). China has become Burma's second largest trading partner, is by far its largest arms supplier and has military advisers in the country. Above all, Beijing wants a stable and predictable neighbour.

India has drastically changed its position in the last fifty years: dictated by its economic interests, it moved from a supporter of the Burmese pro-democratic movements to a partner of the military regime. While India would like to see political reconciliation it uses its advantage in a very prudent way as Delhi is in direct competition with Beijing for energy sources, enhanced trade opportunities, and political influence in the region (contracts for oil and gas exploration and to

develop the port of Sittwe in the Bay of Bengal were signed since the September 2007 events). In an effort to compete with China's growing and southward spreading political influence in the region, India wants to improve its relations with the Burmese military regime and it therefore refrains from condemning the junta—a very sad choice indeed for the largest democracy in the world.

Burma/Myanmar became a member of ASEAN in 1997 partly with the aim of balancing Chinese influence. Its membership has never been made subject to political reform. The regional group's philosophy was, and remains, based on a strict non-interference principle as the recent adoption of the ASEAN Charter has confirmed. ASEAN, in its statement of 19 May 2009, did however show some uneasiness when it clearly said that the honour and credibility of the government of Myanmar were at stake with the trial of ASSK. Senior Minister Goh of Singapore also recently said that the government must ensure fair, inclusive, and transparent elections. ASEAN fully supports the UN efforts to launch a dialogue between the two sides but this may also look like recognition of its own failure to obtain results.

What does the EU expect from these three formidable neighbours, while each has its own priorities and strategies?

China is without doubt Burma's most influential neighbour and the key issue, as said by Ian Holliday, remains unchanged: "Convincing China of the need for reform in Burma".<sup>5</sup> Clearly any effort Beijing would make to persuade the regime in Burma/Myanmar to pursue national reconciliation would be crucial. However, China's interests differ widely from those of the Western countries: it is unlikely that documenting human rights violations or denouncing the democratic deficit will convince Beijing to look for alternative approaches.

In their 2005 report, South Africa's archbishop and Nobel Peace Prize laureate Desmond Tutu and former Czech president Vaclav Havel concluded that Burma is a threat to regional security and peace and called on the UN Security Council to take an initiative under Article 39 of Chapter VII of the UN Charter.<sup>6</sup> This point of view is not shared by all and certainly not by Beijing, which has blocked all attempts to discuss the problem in the Security Council. Therefore what other arguments would convince China and why would Beijing make such efforts?

Beijing wants a stable and predictable neighbour, and would not like to see chaos in its neighbourhood. There is concern about the lack of flexibility

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<sup>5</sup> Ian Holliday, University of Hong Kong, in *Far Eastern Economic Review* issue of June 2009.

<sup>6</sup> Article 39 of Chapter VII authorises the Security Council to intervene in matters within the domestic jurisdiction of a state where a "threat to the peace, breach of the peace, or act of aggression" is occurring. Accordingly, the Security Council may take those measures necessary "to maintain or restore international peace and security".

of the military junta and its negative attitude towards national reconciliation. The deals between ethnic groups and the regime in Yangon, which provide a certain degree of autonomy to regions close to China's border, are also closely watched. Maybe more importantly China is not happy with the SPDC's lack of understanding of economic matters, which prevents economic development to take place in Burma, and therefore economic growth in the region, which could directly benefit China.

Rather than calls to support sanctions or democratic reform that have not much appeal for the Chinese leadership, a policy of constructive help for economic development could be an avenue through which the Chinese may accept to use their influence to achieve reforms as they would clearly see a win-win situation in increased trade and investment: a more open and developed Burma is obviously in the interest of China.

In addition, Beijing's growing international role and its push for global power implies responsibilities as well, including towards the local populations. To be recognised internationally as a responsible stakeholder, China must address the regional challenges and contribute to a peaceful regional order that respects the rights of the citizens. By supporting pariah regimes in Sudan, Burma, or North Korea, Beijing exposes itself to suffering serious blows to its image. International solidarity is needed if there is going to be progress in Burma. Beijing could assume a larger role in this conflict, as it does already in North Korea, and pursue a more proactive policy that could encourage the generals to engage with the opposition and the international community.

India, the largest democracy in the world, should obviously do more to achieve better respect for the internationally recognised rights of the Burmese people and to actively work with the Burmese regime towards a genuine political reform process that would incorporate all political parties and ethnic minorities. A group of more than 100 MPs from the newly elected Lok Sabha has called on PM Manmohan Singh to impress upon the military regime to respect democratic principles and to ask for the release of ASSK. So far the government has remained silent over the latest developments, tarnishing its image and reputation, while, as a democracy, it should help to accelerate positive changes and call for an inclusive election next year that is free and fair.

What does the EU expect from ASEAN? As stated in May 2009 during the ASEAN-EU Foreign Ministers Meeting in Phnom Penh, both sides broadly agree on the objectives but disagree on the means to achieve those objectives. The EU is pressing ASEAN to intervene and encourage Burma as a fellow member state to listen to the international appeals for reform for its own economic interest and regional stability. Without political reform it is clear that Myanmar will not be able to achieve fast economic growth like other ASEAN economies.

Through the ASEAN Charter, the group has also opened the door for a more assertive policy and given itself the basis, with the Human Rights Body, to monitor human rights violations. ASEAN can take the diplomatic lead and play a strategic role in finding a common ground and a solution to a problem that is an embarrassment and has a major impact on the association's image, reputation, and relations with the rest of the world. For example the ongoing negotiations for an EU-ASEAN Free Trade Agreement are running into a lot of difficulty, and have actually been shelved to be replaced by bilateral negotiations, mainly because of Myanmar. In the end ASEAN will need to come out of its non-interference policy if it wants to keep some credibility.

## What Next?

What therefore should and could be done to tackle the country's severe political and economic problems? What is the way forward? There are of course different schools of thought but I think we all agree that the record of the military government in public health, education, economic development, natural resources management, or democratic governance is appalling and that its concerns appear to be limited to security, order, and maintaining national unity and its power by all means.

So far the Western countries have been the most vocal ones in their criticism of the regime and the most eager to impose sanctions. Western sanctions do send a strong political message, particularly the arms embargo and visa ban, and as such have their own symbolic value. Targeted financial sanctions and an arms embargo applied internationally could even seriously weaken the top military leadership. The trial of Aung San Suu Kyi makes it of course impossible to suspend or repeal those sanctions. Nevertheless, twenty years of economic sanctions clearly have had minimal effect on the regime as the country's neighbours continue to trade and invest in Burma and are most likely to continue to do so. "Sanctions are no substitute for a policy of seeking a solution to Burma's political problems."<sup>7</sup>

Others believe that sanctions, and the very limited presence of the international donor community, have been counter-productive and have prevented the country from progressing economically and politically by supporting a policy of isolation self-imposed first by the SLORC and then by the SPDC. Sanctions actually have had more impact on the population than on the generals: they have destroyed the textile industry and kept employment in the tourism sector at a very

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<sup>7</sup> Amitav Acharya, *Yale Global Online*, September 2005.

low level. This strategy has also reduced the ability of the civil society to handle political or social change and reduced Western advantages on Burma to close to zero.

It might be time to reflect on the punitive policy of isolation supported by some countries and to explore new approaches:<sup>8</sup> Is isolating a regime, which has adopted isolation as its main strategy, the right answer? Is brutal regime change a viable alternative in a country always prepared to disintegrate among its ethnic groups and where state structures, other than the army, are nearly non-existent? The question then is simply: What strategy would be more likely to promote the most needed changes?

The first goal of any strategy should be to assist the people of Burma/Myanmar on their path to sustainable development: this is indeed what democracy is all about. The poorest people of Burma have a right to better livelihoods and should not be penalised for the country's political stalemate. They cannot be taken hostage by the international community as they are by their own government. Many analysts believe that the isolation of Burma/Myanmar, imposed by the current generation of military, should be broken down. By exposing the country to the outside world, it will be more and more difficult for the SPDC to hide their economic and political shortcomings from their own people.

Let me discuss, from a personal point of view, three possible avenues that could be implemented in different stages. They would represent an important shift in the current Western political strategy but could maybe bring about the needed change: (1) to build on the small window of opportunity opened by Cyclone Nargis; (2) to put more emphasis on economic development; and (3) to support education.

First, the human tragedy caused by Cyclone Nargis may represent a turning point if the door that has been set ajar can be further opened. Through a process of dialogue the Tripartite Core Group has been effective in facilitating the flow of international assistance. It is to be hoped that the government saw that political considerations were set aside and that donors were genuinely concerned with the humanitarian situation. This is proof that there is an alternative to hostile relations with the outside world. As suspicion was broken down, collaboration between international donors and authorities has resulted in better and faster impact on the ground. This immediate objective should now be followed by a reconstruction programme, based on a credible rehabilitation plan, and

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<sup>8</sup> As indicated by the Danish and Norwegian ministers for Development Cooperation after a visit to Burma in January 2009.

implemented through a collaborative effort. The massive devastation caused by Cyclone Nargis has multiplied the needs and the international response could represent an example of what can be done for the sake of the population and maybe a model for assistance elsewhere in the country.

Second, more international attention should be focussed on the socio-economic development of the country. Some groups of exiled Burmese are now advising major powers and neighbouring countries to address the country's longer-term economic problems. In the current situation, and even more because of the impact of the world economic crisis, international assistance will be needed to achieve this goal: humanitarian and development aid should be immediately increased to tackle the terrible poverty resulting from the policies of the regime.<sup>9</sup> The *EU Country Strategy Paper 2007–2013* is a step in that direction but other donors and the international financing institutions (WB and ADB) should also move in. Support to build up the nation is needed as well: civil society organisations and public administration are in dire need of assistance in order to be able to play a meaningful role in the transition period.

Development aid should not be used as a carrot and it should not wait for democratic change: actually it is a way to challenge the regime by emphasising its failures. Foreign aid will however not be sufficient: one needs to address the collapsing economy through an economic package that will bring into the country much needed expertise, knowledge, new ideas, and innovation. Exposure to the outside world is crucial.

A third proposal would be to massively invest in education: from primary level to university level, and to allow more Burmese to study further abroad. The future of the country is in the hands of its youth but the current education system—through lack of funds, and also because of the closure for many years of many higher education institutions—does not prepare the next generation to take responsibility for the good of the country. Massive investment in education is the best and most efficient way to achieve socio-economic development and real political change in the long-term.

## Conclusion

I am, in this paper, advocating a kind of “peaceful economic invasion”. This is of course not the EU's current strategy but a personal view that I believe is needed even more now after Cyclone Nargis and the financial crisis have further ruined

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<sup>9</sup> Burma receives less than USD3 of annual aid per head compared with USD60 for Cambodia and USD36 for Laos.

the country's economy. This would also work in the best interests of Burma's neighbours. The discussion is ongoing and the link between delivery of such a socio-economic package and progress against political reform and human rights benchmarks remains a matter of debate.

Nevertheless, I believe that in order to move forward, one has to take the risk to leave behind the rhetoric and look at the country's problems beyond the struggle between Aung San Suu Kyi and the generals, while insisting on the need for freedom for all political prisoners and for genuine talks between the different sides. The international community needs to talk, like it or not, to those who are still in total control of the country. Then the conditions for political change may emerge in the future. Without dialogue, there is no hope for change. To be efficient this strategy would require an international consensus on Burma and solidarity in its implementation, something that has largely been missing so far.

It would also require the SPDC to agree to open up space for foreign business, foreign investment, and civil society. Something that certainly cannot be taken for granted as Burma's top leadership is locked up in its ivory tower and is aware of the risk to their survival linked to the dynamics of an open economy. However, the regime is not monolithic and there is some space, albeit reduced, to make progress.

There is no miracle solution but those are a few ideas that I believe are worth trying to break the current deadlock. Today the population is still the victim of both the government and the sanctions applied by the donor community. The 2010 elections may bring change to the situation; it will be far from perfect but incremental change is probably the only alternative to no change at all.

