The Black Sheep of the Family:
How Burma Defines its Foreign Relations
with ASEAN

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Executive Summary

When Burma joined ASEAN in 1997, the military junta was attracted by the prospect of achieving some form of political legitimacy while gaining access to alternative markets to those that had been denied by Western sanctions. ASEAN, in turn, was more than happy to gain access to Burma's abundant natural resources and justified its actions through its policy of "constructive engagement". Burma had only emerged from relative isolation in the early 1990s and was experimenting with partial economic liberalization. ASEAN also hoped to offset the strategic impact that Burma's close alliance with the People's Republic of China could have in the region.

As Western pressure increased on the military junta, and on ASEAN, the Burmese generals have discovered that the original terms of their membership agreement may have changed. ASEAN appeared to redefine its principle of non-interference in the domestic politics of member states following the Depayin incident of 2003 where Aung San Suu Kyi was attacked by members of the SPDC's mass organization – the USDA. Her arrest and continued detention brought intense international pressure, and embarrassment, to bear upon ASEAN leading up to Burma's chairmanship in 2006. Despite the announcement of a Road Map to "disciplined democracy", Burma forfeited its Chair in 2005 and has since maintained cool relations with the regional organization while seeking support from its close ally in China. ASEAN continues to redefine its principle of "enhanced interaction" with Burma and will likely wish to be seen, in the eyes of the international community, to be criticizing the generals in order to protect its own credibility.

However, signs have appeared that indicate the Burmese generals are returning to their isolationist tendencies and would welcome some kind of economic autarchy. While this is consistent with their traditional "neutral" foreign policy since independence, it also means that the debate over sanctions or engagement is becoming increasingly irrelevant. The generals are building themselves a new administrative capital in remote Pyinmana and hope to have all ministries, civil servants, and a military headquarters relocated to the new site this year. It has also been necessary for the generals to court China and Russia in order to counter a move by the US to have Burma placed on the UN Security Council's agenda. Another indication of the generals' isolationism is their fear of granting any autonomy to non-state organizations such as UN agencies, NGOs, and INGOs operating inside the country, as witnessed by their introduction of strict new guidelines relating to these groups.

While ASEAN continues to redefine its position with Burma, it may increasingly find that Burma's tightening of relations with China will help to define it for them. In addition, China's presence in the ASEAN+3 concept opens new diplomatic avenues through which Burma could be approached. Because of the numerous regional security problems that continue to originate from inside Burma (drugs, HIV/AIDS, illegal cross-border migration), ASEAN will wish to maintain good relations with the country's military leaders. However, it is difficult to see how any meaningful political influence ASEAN might bring to bear on Burma in the near future could come about without the generals seeking Beijing's advice.
1. Introduction

In July 2005, Burma forfeited its turn to chair ASEAN in 2006, eight years after having joined the regional organization. The move followed intense Western pressure upon ASEAN following events inside Burma in 2003, and a general failure on Burma's part to “keep its house in order” – as was promised by its leaders upon joining in 1997. Yet the move was also reflective of a possible change in ASEAN's attitude towards the handling of domestic problems among its member states. Traditionally, ASEAN has adopted a posture of non-interference in the domestic politics of its member states and indeed this attribute was an attractive option for Burma in 1997 as it sought regional alliances and legitimacy to counter the isolation imposed by the West. But as the ASEAN chairmanship rotated towards countries with more democratic agendas, or that could be more influenced by Western priorities, Burma's membership in the organization has at times become uncomfortable for Burma's generals, and embarrassing for ASEAN.

Burma has since independence in 1948 adopted a neutralist stance in foreign relations, while at the same time it attempted to balance competing interests of major powers in the strategically important region. The latter objective has required that it occasionally align itself towards one power in order to survive as an ostensibly independent nation. Indeed, it could be argued that Burma's foreign relations have been conditioned by a sense of survival since independence and that an officially non-aligned status has required a series of pragmatic short-term alliances in order to achieve survival. It is only relatively recently that Burma could be viewed as being more proactive and directional in its foreign policies, but that even here regional interest in courting the Burmese leaders has become more important because of what their neighbours view as a possibly destabilizing alliance forged between the Burmese generals and the People's Republic of China (PRC). Because of its size and proximity, China has always figured highly in Burma's sphere of foreign relations – either as a potentially powerful enemy or as a strong ally, and more often than not Burma has had to consider China's possible reactions to its foreign policies.

Burma joined ASEAN in 1997 after strengthening its relations with China. This fact has flavoured not only the dynamics of the ASEAN–Burma relationship but also the relations that ASEAN has had with the West over Burma. This paper looks at these various relations and the events leading to Burma's forfeiture of its ASEAN chairmanship in 2005, as well as developments in relations since then. It can be argued that in reference to Burma's traditional foreign policy of neutrality and non-alignment, Burma's membership of ASEAN stands as an anomaly and that the uncomfortable position created particularly from 2003 onwards has made the Burmese generals reconsider their regional friendships. Rather than viewing the country as a member of an inevitably globalized and increasingly democratized world, it is possible to consider that survival for the generals, given the nature of their regime, requires that they return to what could be their natural foreign relations position – isolationism coupled with pragmatic alliances. This possible outcome would influence the future of Burma's relations with ASEAN and the West.
2. Burma’s Foreign Policy

Since independence, Burma has been ruled by a parliamentary democracy (1948–58 and 1960–62), by constitutional military rule (1974–88), and by direct military rule (1958–60, 1962–74, 1988 to the present). During the Cold War, particularly, Burma's foreign policy necessitated remaining neutral and non-aligned while strategically balancing the interests of major powers in the region. Survival required a counterbalancing foreign policy that was fashioned primarily by external events. The end of the Cold War brought increasing Western attention upon developing countries riding the wave of democratization. In light of this heightened awareness, Western interest in Burma peaked following the junta's crackdown on pro-democracy demonstrators in 1988, and again following the State Law and Order Restoration Council's (SLORC) refusal to honour the election of 1990 won by the National League for Democracy (NLD). Burma's turning towards China and later ASEAN in the late 1980s and 1990s was in large part brought about by the actions of the West during the post-Cold War climate. In order to assess whether Burma's membership of ASEAN was consistent with its traditional foreign policy objectives, and how China has figured highly in foreign policy, it is necessary to consider the “neutralist” position adopted by Burma from 1948 to the 1990s. And since Burma's relations with China encouraged ASEAN's admission of Burma, we should also consider how Burma-Chinese relations have fluctuated and cemented over the years.

(a) “Neutrality”

In 1949, any hope that Burma may have held to forge alliances with the West was suppressed when the Chinese Communist Party (CCP) came to power. Burma quickly adopted a neutralist stance whereby it would pursue good relations with all countries and steer clear from aligning itself with power blocs. Prime Minister U Nu, furthermore, believed that aid should be accepted from all countries so long as the conditions of aid were just and equitable and did not restrict or affect Burma's sovereignty. U Nu set about forging good relations with communist and non-communist countries alike, regularly making extensive tours in the process, and participating in local and regional conferences including the 1955 Asian–African Conference in Bandung and the 1961 First Nonaligned Conference in Belgrade. Burma accepted aid from the United States and Great Britain, as well as war reparations from Japan, and Burma engaged the Soviet Union and China through a series of barter trade agreements.

Following Ne Win's military coup in 1962, Burma embarked upon an autarchic economic program under the banner of the Burmese Way to Socialism. While all important sectors of the economy were nationalized, foreign relations with most countries were severely limited, and those between the communist giants became particularly delicate following the Sino-Soviet split in 1960. Over the next decade, Ne Win sought to remain nonaligned by balancing the competing interests of the major regional powers – the Soviet Union, the United States, and the PRC. Burma accepted arms from both the Soviet Union and the United States, students were sent to the Soviet Union for training and Soviet technicians were sent to Rangoon. Although Ne Win visited Moscow, Washington, and Peking, the latter would remain Burma's priority and for so long as Burma remained on good terms with China, Ne Win would remain careful in his arrangements with the Soviet Union and the United States. Burma refused to be drawn into any new regional associations like the Asian Development Bank (ADB) in 1966, the anti-communist ASEAN in 1967, and only supported a minimal presence in the movement of nonaligned nations.

After 1972, however, the warming of US-China relations, the failure of Burmese socialism, and a possible cessation of hostilities in Vietnam persuaded Ne Win to soften Burma’s isolationist posture towards the West and his regional neighbours. While continuing to offset relations between the Soviet Union and the PRC, Burma joined the ADB in 1973 and Ne Win embarked on a series of regional goodwill visits. The need for Burma to maintain
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some balance between the Soviet Union and the PRC was relaxed by Vietnam's invasion of Cambodia in 1978. Burma endorsed China/ASEAN's opposition to the Soviet/Vietnam backed regime in Phnom Penh, and Burma resumed economic ties with the United States in 1980 – military aid resumed soon after. The effectual withdrawal of a regional Soviet presence in the 1980s meant that Burma could progress in two directions – towards China and/or the West. But following the events of 1988 and 1990 in Rangoon, Burma was faced with few alternatives but to move closer to its most important neighbour – China.

(b) Fostering Good Relations with China

Because of its geographical proximity, size, and possible threat, China has always loomed large on Burma's "survival" horizon. Although the Burmese leadership has traditionally favoured an official foreign policy stance of neutrality while balancing its position vis-à-vis the major powers, in practice maintaining good relations with China has been its most important consideration. Under U Nu's leadership, Burma became the first non-communist country to recognize the People's Republic of China (PRC), and Burma regularly petitioned for the PRC's membership of the United Nations. Throughout the Cold War, Burma moved cautiously in its dealings with the Soviets and the US, being careful not to unnecessarily provoke China. Only after relations between Burma and China had soured as the Cultural Revolution reached Rangoon in 1967, for example, arms shipments arrived from the Soviet Union and the United States – Burma chose to end US military assistance when its relations with China improved four years later.

Despite the fallout in 1967, Burma still chose not to intimidate China further by joining ASEAN – an anti-communist association that had not recognized the PRC government. Relations between Burma and China significantly improved after 1979 when China promised to cut funding and shipping arms to the Communist Party of Burma (CPB) in return for Burma's cooperation against the Soviet Union. Burma opposed Vietnam's invasion of Cambodia, refused to recognize the new Phnom Penh government, and boycotted the Moscow Olympics to register its opposition to the Soviet invasion of Afghanistan. Since ASEAN had also decided to oppose Vietnam's invasion of China's client state, for the first time Burma would not fear China's disapproval over having contact with the regional organization. Yet while Burma had maintained good relations and trade with some ASEAN member states, it would prefer not to seek membership and continued to balance the competing interests of the major powers – at least in theory Burma remained a nonaligned socialist state.

The relationship between the People's Republic of China, Burma, and ASEAN has undergone significant change since the end of the Cold War. Events leading to the collapse of the Soviet Union drew Burma and China ever closer together. The worldwide democracy movement of the mid to late 1980s burst onto Rangoon's streets in a series of protests culminating in 1988. Instigated as much by the failure of Burmese Socialist Programme Party (BSPP) policies, financial mismanagement, and economic collapse, pro-democracy demonstrators (students, monks, elements of the army, and the general public) took to the streets in search of political and economic change. Ne Win used the Tatmadaw (army) to brutally crush the demonstrators and, to quell the possibility of reprisal, offered to stage free and fair elections for the first time in over 30 years. Across the border, China would deal with its own pro-democracy demonstrations in Tiananmen Square the following year. Elections were held in Burma in 1990 and a clear victory won by the NLD, but a transfer of power never eventuated. Instead, a military junta then ruling under the banner of the State Law and Order Restoration Council (SLORC) declared that the elections were merely a sign that a new constitution should be drafted and that a referendum would be held on the constitution. Both Burma and China now faced intense criticism from the West, including – in Burma's case – sanctions and a withdrawal of international funding.

In light of these circumstances, military, economic, and diplomatic ties between Burma and the PRC blossomed in the 1990s. China became the Tatmadaw's primary supplier of
military hardware and Burmese markets were flooded with Chinese products. China saw itself in competition with India in Southeast Asia and viewed closer relations with Burma as a means to gain road and rail access to the Bay of Bengal, the Indian Ocean, and the Straits of Malacca for shipping its products from the interior, and to encourage foreign investment. Burma was also seen as a source of raw materials, a market for Chinese goods from Yunnan, and a means to gain access to a wider market in Southeast Asia. Burmese ports also presented China with an opportunity to develop a naval presence in the Indian Ocean, and China did not want Burma to enter into a security agreement with India.

Burma’s interest in having good relations with China was fostered not only to ensure that the PRC would not return to supporting insurgents inside Burma, but also by the prospects of increasing trade and securing an alternative to the Western markets being threatened by sanctions. China and Burma began cooperating in many areas in the 1990s, including the provision of Chinese military equipment, training in the use of weapons, and assisting in developing a port to be used by Chinese naval vessels, airfields large enough to handle Chinese military transports, and radar-communication facilities along the Burmese coastline. China has indicated that it would not allow other countries to threaten Burma. Yet China’s desire to stay clear of regional multilateralism and its long suspicion of ASEAN has softened through a growing recognition that ASEAN is not dominated by the United States. Relations between China and ASEAN have improved markedly over the past decade and today China sees itself as providing a regional counter-balance to the economic influence of the US and Japan.
3. Burma joins ASEAN

Burma's political and economic situation in the early 1990s made a partnership with ASEAN seem an attractive proposition. Facing diplomatic isolation and punitive sanctions from Western countries, Burma saw the advantages of ASEAN members having access to international funding (particularly the World Bank), a common voice in the UN, and a common posture on major policy issues and in negotiations with major powers – especially the US, EU, India and Japan. Whereas local resentment in Mandalay towards the influx of Chinese traders may have also prompted the junta's desire to find alternative markets, Burma's neighbours in ASEAN as well as India were becoming acutely aware of a potentially destabilizing problem brought about by China's increasing military and economic presence, and influence, over Burma.

In contrast to the Western approach, ASEAN justified its dealings with Burma through the principle of "constructive engagement" – first introduced by Thailand's Foreign Minister Arsa Sarasin in 1991. By promoting trade, diplomatic, and economic ties with an authoritarian regime, socioeconomic progress and the growth of a middle class would produce political liberalization. Yet the middle class in Burma was comprised of military officers and Chinese businessmen, all of whom stood to gain from maintaining the status quo. Despite the official line, most of the founding ASEAN member states also had their own reasons for engaging with Burma. Indonesia and Malaysia, for example, had strongly criticized the SLORC's forced repatriation of up to 200,000 Rohingya Muslims into neighbouring Bangladesh. Thailand, which was also dealing with disputed border problems and a Burmese refugee influx, saw Burma's natural gas supplies as a potential solution to its looming energy crisis. Both Singapore and Thailand were attracted by the SLORC's new foreign investment law and had begun to invest heavily. All were aware of Burma's abundant natural resources – timber, gems, and fishing – and source of cheap labour. Under the new SLORC regime, Burma was experimenting with a program of economic liberalization and was eager to accept foreign currency. This brought Burma closer to ASEAN's ideals and ASEAN's principle of non-interference in the domestic politics of member states was an attractive creed for the junta.

Burma attended the 1994 ASEAN meeting at the invitation of Thailand, where it declared that it would sign the Treaty of Amity and Co-operation (TAC). After releasing Aung San Suu Kyi in 1995, Burma was received as an official observer to the ASEAN meeting and joined the ASEAN Regional Forum (ARF) in 1996. In July 1997, facing intense pressure from the United States to resist granting full-membership status, Burma was finally admitted on the recommendation of Prime Minister Dr Mahathir of Malaysia. The generals believed that in joining ASEAN they had achieved some form of political legitimacy and had promised the organization that they would keep their house in order. The first step would be to change their name from SLORC to the State Peace and Development Council (SPDC).

Burma's admission to ASEAN forced a regional debate over the question of how the organization could maintain its principle of non-interference when the domestic policies of one member state had cross-border implications. Of particular concern was the flow of refugees, illegal immigrants, and drugs – opium production had soared under SLORC–SPDC rule and reliable figures on the spread of HIV/AIDS were impossible to obtain. After Burma's admission, these concerns led Malaysia's Deputy Prime Minister Anwar Ibrahim to talk of "constructive intervention" in relation to Burma. Relations between Burma and Thailand soured the following year after a series of incursions by the Burmese army and the Rangoon-backed Democratic Karen Buddhist Army (DKBA). In pursuit of the Karen National Union (KNU), the DKBA raided Burmese–Karen refugee camps on Thai soil. Thailand's Foreign Minister, Surin Pitsuwan, called on ASEAN to adopt a policy of "flexible
engagement”, which would allow member states to discuss and comment on the domestic policies of fellow members when they had cross-border implications. The move was supported by the Philippines but rejected by Indonesia, Malaysia, and Singapore because its meaning remained ambiguous and problematic. Moreover, it invited the possibility of ASEAN intervention in the domestic politics of any member state.

The ASEAN members were, however, more agreeable to the idea of “enhanced interaction” which meant that individual member states could comment upon the domestic policies of other members but that ASEAN should not. While this new proposal did not unleash a wave of criticism by member states against each other, it was useful as a guide to describe a number of initiatives undertaken in the wake of the financial crisis, including the exchange of economic information, and financial and macroeconomic concerns that one member may have towards another. But it was still unclear what “enhanced interaction” meant for member states like Burma – if intervention by ASEAN was not to become legitimate, their criticism could remain meaningless.
4. The Black Sheep of the Family

In October 2001, the SPDC’s then Secretary 1, Lt General Khin Nyunt, entered into secret talks with Aung San Suu Kyi that were brokered by the United Nations Special Envoy for Burma, Malaysian national Rizali Ismail. While their content remained secret, they amounted to little beyond confidence building, though Suu Kyi was released from her second period of house arrest in May 2002. Yet only a year later, an incident occurred that would not only embarrass ASEAN but also test the boundaries of its “enhanced interaction” strategy.

(a) The Depayin Incident

On 30 May 2003, a large number of pro-military Union Solidarity and Development Association (USDA) members ambushed Aung San Suu Kyi and her motorcade in Depayin, northwest of Mandalay, while they were returning from visiting her supporters in the Kachin State. Numerous deaths occurred and Suu Kyi was again arrested along with her entourage. All NLD offices were closed and up to 200 members were arrested as well as at least 300 supporters across Burma. The arrests followed Suu Kyi’s criticism of the SPDC for refusing to start serious talks. The SPDC’s failure to release Suu Kyi attracted worldwide criticism – including from the United Nations, Japan, the United States, and the European Union. While Great Britain persuaded the European Union to toughen sanctions against Burma – issuing a travel ban on Burma’s leaders and their families, freezing the assets of 150 senior government officials, and tightening the arms embargo – Japan again froze its financial aid to Burma, and the United States Congress passed the Burmese Freedom and Democracy Bill. This Act, which came into effect in August 2003, bans specified Burmese imports into the United States, freezes the country’s meagre financial assets in US banks, and places further visa restrictions on Burmese officials attempting to enter the United States.

All of this activity placed ASEAN in an awkward position with respect to its principle of non-interference. While it may have been possible to argue that a member state’s domestic policies had direct cross-border implications on other member states, because of the heightened international indignation in this case the SPDC’s actions were an unnecessary embarrassment that impinged upon ASEANs credibility as an organization. At their annual meeting of foreign ministers held in Phnom Penh in June 2003, ASEAN issued an unprecedented joint statement calling for Suu Kyi’s release. This was the first time since Vietnam’s occupation of Cambodia that the organization had taken a collective stand against one of its regional neighbours, and indeed was more significant because Burma was now a full member. If “enhanced interaction” meant that ASEAN could begin to criticize its members’ domestic policies, then what would be the incentive for Burma to remain a member and, perhaps just as important, why stop at Burma?

The SPDC Chairman and Senior General, Than Shwe, responded by dispatching his foreign minister and deputy foreign minister to Thailand, Japan, Malaysia, Indonesia, Singapore, China, Bangladesh, Pakistan, and India with a personal letter claiming that Suu Kyi and the NLD had been plotting an uprising and that Suu Kyi was encouraging armed ethnic rebel groups to take part. Dr Mahathir claimed that ASEAN nations had been forced to criticize Burma because its leadership had embarrassed its neighbours and, if Suu Kyi was not released, then as a last resort Burma could be expelled from ASEAN. Thailand’s Prime Minister Thaksin Shinawatra rejected Mahathir’s threat and urged ASEAN to give Burma’s leaders more time to demonstrate their sincerity in returning to the process of national reconciliation and the development of a democratic system. Thailand would soon show what it meant by “enhanced interaction” with Burma.
(b) Roadmaps

At the Asia–Europe Meeting (ASEM) of Foreign Ministers in July 2003, in deflecting European criticism of the situation in Burma, Thailand’s foreign minister, Surakiart Sathirathai, proposed the idea of a road map which would bring national reconciliation and democratic reform to Burma within three years – it was due to chair ASEAN in 2006. The foreign minister then met with his Burmese counter-part, U Win Aung, and told him that his government must come up with its own road map. The Thai road map consisted of five steps:11

1. Release Aung San Suu Kyi from prison; free other opposition leaders from house arrest; re-open NLD headquarters and offices.

2. “Confidence building”: Hold an investigation into the Depayin incident; cease the press campaign against Aung San Suu Kyi and the NLD; release all political prisoners; sign truces with remaining ethnic groups still fighting the tatmadaw; start peace talks.

3. Draft a constitution involving the military, pro-democracy opposition, and ethnic groups; adopt the constitution.

4. Transitional period before holding elections; lifting of all international sanctions against Burma.

5. Hold elections overseen by independent international monitors; hold an international conference on aid for Burma.

The following month, Khin Nyunt – who had just been appointed Prime Minister – announced Burma’s new seven-point Road Map for “disciplined democracy”:12

1. Reconvening of the National Convention that has been adjourned since 1996.

2. After the successful holding of the National Convention, step by step implementation of the process necessary for the emergence of a genuine and disciplined democratic system.

3. Drafting a new constitution in accordance with basic principles and detailed basic principles laid down by the National Convention.

4. Adoption of the constitution through national referendum.

5. Holding of free and fair elections for Pyithu Hluttaws (Legislative bodies) according to the new constitution.

6. Convening of Hluttaws attended by Hluttaw members in accordance with the new constitution.

7. Building a modern, developed and democratic nation by the state leaders elected by the Hluttaw; and the government and other central organs formed by the Hluttaw.

A National Convention with the purpose of writing a new constitution was first proclaimed by the generals in 1992, a year before they established the USDA. Refusing to hand over power following the election loss of their National Unity Party in 1990, the generals had explained that the election was merely a signal for constitutional change and that all major parties, or at least those members not still incarcerated, would be invited to attend a convention designed for that purpose. At the time, it was believed that the generals favoured a regime that secured a permanent allotment for the military in parliament, along the lines of the Indonesian model. Should a new constitution ever come about, the
USDA could assume a prominent role but there is little to indicate that a new constitution will be drafted anytime soon. Despite this, The New Light of Myanmar regularly declares that it is the responsibility of all citizens to work towards a new constitution.

One of the objectives forming the framework of the “basic principles” alluded to in Step 3 of the SPDC’s Road Map was laid down by the generals before the first meeting of the National Convention – it requires that the Tatmadaw must take the leading role of national politics of the State in the future. The SPDC drafted a number of “basic principles” for a new constitution at its National Convention in 1993, and from 1994 to 1996 it drafted “detailed basic principles” that left little room for discretion or further drafting. The NLD walked out of, and were later expelled from, the national convention in 1995, and in 1996 the SLORC issued law 5/96 silencing any criticism of the convention and the constitution after the NLD threatened to write their own constitution. Step 3 of the generals’ Road Map, therefore, invites a return to the problems of the mid-1990s and ensures that any new constitution will be in accordance with the generals’ rules. Yet Step 2 is so vague that no meaningful timetable for the Road Map can be provided and, therefore, the possibilities of a new constitution appearing in the near future are remote. Prior to 2004, the national convention had not convened in seven years. The NLD, along with some ethnic minority groups, chose to boycott the 2004 convention in May, the NLD citing the continued detention of Aung San Suu Kyi and the party’s deputy chairman – Tin Oo. The SPDC has pushed on regardless and cite the holding of the National Convention as a significant step towards the emergence of a genuine and disciplined democratic system.

Burma's new Road Map seemed, for the time being, to please most of the members of ASEAN, and the fact that the SPDC had moved Suu Kyi from detention to house arrest was a significant step in the right direction. In October 2004, however, prior to the ASEAN summit in Vientiane, Prime Minister General Khin Nyunt was charged with refusing to obey orders and corruption – a common justification during a purge – and placed under house arrest along with officers loyal to him. His intelligence apparatus was disbanded and he was replaced by Than Shwe’s protégé, General Soe Win – thought to be behind the planning of the Depayin incident. While it was clear that the hardliners were back in charge, Soe Win announced that the SPDC remained committed to the Road Map. Burma remained off the official agenda at the 2004 ASEAN summit, although disappointment was conveyed by some members over the announcement that Suu Kyi’s house arrest would be extended for another year. Thailand's crackdown on Muslim separatists in the southern provinces had attracted international criticism prior to the summit and Prime Minister Thaksin had made it known that he refused to discuss the situation at the next ASEAN meeting and indeed threatened to walk out if it were raised. ASEAN could not censor Burma again on the one hand, and avoid mentioning Thailand’s activities on the other. Perhaps this incident was Thaksin’s attempt re-establish non-interference as the guiding principle for ASEAN’s “enhanced interaction”.13

(c) Burma Forfeits its Chair

In 2005, with Suu Kyi still under house arrest and no tangible progress made towards democratic reform – by road maps or otherwise – ASEAN again faced intense pressure as Burma’s chairmanship approached. The US and the EU as Dialogue Partners had threatened to boycott any ASEAN meetings if they were chaired by Burma. In addition, the UN Special Envoy, Rizali Ismail, had been denied access to the country. Some ASEAN governments – notably Malaysia, Singapore, and Indonesia – began raising their concerns over Burma’s chairmanship and lack of substantive progress on its Road Map through various diplomatic channels, although Prime Minister Hun Sen of Cambodia supported Burma’s chair. Dr Mahathir, now retired, called for Suu Kyi’s release and parliamentary debates were held, and motions passed, on the issue in Malaysia, the Philippines, and Thailand.14 ASEAN made it clear that it would not force Burma to step down, lest this set a precedent, but that its chairmanship could severely affect the organization’s international credibility. Burma had also caused a degree of embarrassment for ASEAN since the organization had advocated that engagement with the regime would deliver the reforms that sanctions could not. It
was clear that following the Dapayin incident, the ASEAN governments had “experienced and articulated a new quality of irritation”.15

In July 2005, at the ASEAN Foreign Minister’s meeting in Vientiane, Burma’s Foreign Minister U Nyan Win informed his colleagues that his government “had decided to relinquish its turn to be the Chair of ASEAN in 2006 because it would want to focus its attention on the ongoing national reconciliation and democratisation process”.16 He explained that 2006 would be a critical year and that the government wanted to give its full attention to the process. The foreign ministers welcomed the decision and thanked Myanmar for not allowing its “national preoccupation to affect ASEAN’s solidarity and cohesiveness”.17 Burma would be permitted to take its turn to be the Chair when it was ready to do so. Clearly relieved, ASEAN could now avoid unwanted international attention and for the time being, suppress the issue of Burma. On Burma’s side, the loss of prestige and enhanced legitimacy that would have accompanied the Chair was compounded by the preparations already underway to host the event in Rangoon. The consequences of embarrassment over its forfeiture would play out in various ways over the following year.
5. A Return to Isolationism or a Return to “Neutrality”?  

Since forfeiting its chair, it appears that Burma may have had mixed feelings towards some of its fellow member states. While it is true that the foreign minister of Thailand, Surakiart Sathirathai, and the former foreign minister of Indonesia, Ali Alatas, had not been permitted to meet with Suu Kyi on their respective visits in 2003, the situation seemed unlikely to now change. Prior to the Kuala Lumpur summit at the end of 2005, a group of Southeast Asian parliamentarians and a Malaysian cabinet minister had called for Burma to be expelled from ASEAN unless the regime improved its human rights record and urged that Burma permanently be on ASEAN’s agenda.  

ASEAN also noted the increased interest of the international community on developments in Burma at the Kuala Lumpur summit. The Chairman’s Statement called for the release of those placed under detention, encouraged the country to expedite its Roadmap to Democracy, and welcomed Burma’s invitation to Malaysia’s foreign minister, Syed Hamid Albar, to learn first-hand of its progress. Over the next few months, however, a delegation led by Syed Hamid was postponed twice because, according to the Burmese foreign minister Nyan Win, Burma was too busy moving its administrative offices to a new capital. The delegation finally arrived but was not permitted to meet with Suu Kyi and the visit was cut short. Of the many signs that could indicate the generals are retreating to their isolationism of the past, perhaps the move to Pyinmana stands out.  

(a) Building Capitals  

On 7 November 2005, foreign diplomats in Rangoon were notified that the capital had left town. They were informed by the Foreign Ministry that they could write a letter if they needed to communicate with the Burmese government or, if they needed to communicate on urgent matters, they could send a fax to Pyinmana. The evacuation of government ministries by convoys of trucks laden with civil servants and their office furniture began at 6:37am on 6 November 2005 – an auspicious time according to Than Shwe’s astrologers. The Tatmadaw had been developing a site for a number of years near remote Pyinmana, 240 miles (about 400 km) to the north. The generals did not bother to inform their ASEAN neighbours of their intentions to move the capital beforehand, and the first public announcement was given by the Information Minister, General Kyaw Hsan, the following day. No official reasons were given for the secretive move other than that it was centrally located and had quick access to all parts of the country. Speculation over the generals’ motives has been rampant and most centre upon ensuring their “survival”.  

Of the many theories advanced, perhaps some of the more reasonable include the generals’ desire to protect their administrative institutions by relocating them far away from the population and from any future mass demonstrations. In 1988, pro-democracy demonstrations had brought Rangoon to a standstill and the government’s administrative offices were unable to function. By relocating them away from any possible future trouble, the SPDC could remain in control of its functions and co-ordinate an appropriate response. Another reason could be to provide a geographically more convenient military headquarters from which troops could respond to trouble in Rangoon as well as the frontier areas of the Karen, Shan, Kayah and Chin. Pyinmana was also the location of General Aung San’s war-time headquarters.  

The SPDC plans to move all of its government ministries, military headquarters, and a “parliament” to the new capital in 2006. It began a number of large projects in the area several years ago, including the construction of a large airstrip, a military hospital, a five-star hotel, a golf course, mansions for the senior generals, apartments, a national headquarters for ethnic groups, government offices, and bunkers and tunnels. The International Labor Organization has reported that extensive forced labor has been used
on the projects and that thousands of villages have been relocated. Although the SPDC has promised a ten fold rise in the salaries of civil servants, many are unhappy with the move. Due to a lack of accommodation for families in the new capital, single bureaucrats have been trying to find marriage partners to postpone their reassignment.21

On 27 March 2006 (Armed Forces Day) state television broadcast pictures of troops parading at the new site in the shadows of three massive statues of kings Anawrahta, Bayintnaung, and Alaungphaya – the three kings in Burmese history perhaps most noted for uniting the people and founding dynasties. The new capital was to be officially named Yanlon ("secure from strife"), but Than Shwe officially named it Naypyidaw ("royal city" or "place of the kings"). By heeding the advice of astrologers and founding the new capital, Than Shwe was honouring tradition while effectively asserting his own "royal" legacy.

(b) Finding Old Friends

In 2005, movements were afoot at the United Nations to have Burma placed on the Security Council’s agenda. Russia, China, and Algeria had blocked an earlier attempt in 2005 to get the Council to discuss Burma, but the Philippines turn on the Security Council helped pass the proposal later that year. A report commissioned by Vaclav Havel and Desmond Tutu in 2005 had recommended that the Security Council pass a resolution for intervention, requiring that Burma work with the Secretary-General’s office in implementing a plan for national reconciliation and a restoration of a democratically-elected government; that the Secretary-General remain vigorously engaged with the dispute resolution process and report back to the Security Council on a regular basis; that Burma ensures the immediate, safe, and unhindered access to all parts of the country for the United Nations and international humanitarian organizations to provide humanitarian assistance; and that Aung San Suu Kyi and all prisoners of conscience in Burma be immediately released.22 While the report was heavily criticized by the Burmese government, in December 2005 the Security Council finally heard a briefing by the under-secretary general for political affairs, Ibrahim Gambari, and the members agreed to see how things progressed.

Because no resolution of UN intervention in Burma is likely to pass while Russia and China remain opposed, the Burmese generals have taken an Iran-like approach to the matter. In February 2006, Prime Minister General Soe Win travelled to Beijing to secure China’s support and future veto of any United Nations attempts to impose economic and political sanctions via the Security Council. In April 2006, the SPDC Vice Chairman Vice Senior General Maung Aye, accompanied by Foreign Minister General Nyan Win, travelled to Moscow to seek the same assurances from Russia. While in Russia, Maung Aye revived a project to build a centre for nuclear studies – including the construction of a research nuclear reactor, laboratories, and support infrastructure – signing a new cooperation agreement with the Kurchatov nuclear research center.23 The project began in 2001, when Burma signed a deal with the Russian Ministry of Atomic Energy to build a 10-megawatt nuclear test reactor. Although the foundation for the reactor had been laid and hundreds of personnel were sent to Russia for nuclear technology training, the project had stalled because Burma was unable to continue financing the facility’s construction.

If Burma is presently snubbing ASEAN, it clearly has a friend in China and could in the future become even closer to its most important neighbour. Increasingly it would seem that any hope ASEAN may have retained that it could directly pressure Burma to resist Chinese aid and growing strategic influence in the region has become remote. Unlike foreign investors in some ASEAN countries, China’s investments in Burma are not driven solely by profit returns – China has regularly contributed to the country’s infrastructure development since the Tatmadaw turned to them in the late 1980s and views Burma as part of its strategic landscape. China has assisted Burma to build hydropower plants near Pyinmana, has assisted in building its third international airfield in the Bago division, and has funded the building of a deep sea port facing the Indian Ocean along with a highway connecting the port to Yunnan province. The Chinese government not only criticizes foreign interference in Rangoon’s internal affairs, Beijing hosts regular visits by Burma’s
generals and promotes further cooperation between the Tatmadaw and the People's Liberation Army. The SPDC have also increasingly turned to Beijing for diplomatic advice.

At the ASEAN summit held in Vientiane in November 2004, the member states pushed ahead with proposals to incorporate China into a massive East Asian Free Trade Zone. Recent ASEAN summits included China, Japan, and South Korea (ASEAN + 3), and in December 2005 Australia, New Zealand, and India joined ASEAN's East Asian Summit. By engaging with China in multilateral dialogues and agreements, ASEAN attempts to avoid possible Chinese domination or at least control Chinese regional influence. The ASEAN+3 concept has also become an indirect avenue by which ASEAN could influence Burma – through China.

In May 2006, the UN sent the Nigerian national, Ibrahim Gambari, to Burma to raise human rights issues and the prospects for restoring democracy. He was the first UN envoy to visit the country since Indonesia's Ali Alatas in 2005. When Rizali resigned in January 2006 because he had been denied entry for almost two years, he believed that Burma's Road Map had effectively come to an end with the arrest of Prime Minister Khin Nyunt in 2004. Gambari met with three SPDC Generals – Than Shwe, Maung Aye, and Soe Win – in their new capital. During his visit, Gambari also became the first foreigner permitted to meet with Aung San Suu Kyi since Rizali's visit in 2004. This was also unexpected because the SPDC had only recently accused the NLD of having links to terrorist groups and threatened to ban the organization. But since the generals were concerned about the Security Council placing Burma on its agenda, the visit to Suu Kyi may have been a concession promoted by Beijing. Indeed, it is probable that Gambari's visit to Burma may have been permitted on the advice of Beijing in order that China could continue supporting Burma at the UN. Upon his return to the UN, the Secretary-General Kofi Annan appealed to Than Shwe to release Suu Kyi, but the SPDC extended her detention the following day.

(c) Crackdown on NGO's

One further sign that the generals have become increasingly isolationist of late has been their attitude towards non-government organizations (NGOs) since the purge of Khin Nyunt and his military intelligence apparatus in 2004. While Khin Nyunt had been more willing to work with international bodies – either by permitting NGOs access to remote parts of the country or by at least not rejecting attempts at dialogues with UN special envoys – following his sacking and arrest, the generals' xenophobia re-emerged when they discovered how many foreigners and international agencies were operating inside Burma. The SPDC moved to introduce a new set of strict guidelines for UN agencies, international organizations and NGOs – local and international.

The guidelines call for the registration of all NGOs; the submission of proposals, basic agreements and Memorandums of Understanding for approval by the Ministry of National Planning and Economic Development (MNPED – the coordinating body) and the restriction of activities to the scope of the proposal; the consent of the MNPED on all international staff to be appointed; the coordination and approval of all internal travel by the MNPED as well as the accompaniment of government officials with UN/NGO/INGO personnel on internal travel; the setting up of Central, State/Division and Township level Coordination Committees; and the monthly and quarterly reporting of activities by UN/NGO/INGO agencies to the MNPED. The purpose of the new guidelines appears to be the near total control of all UN/NGO/INGO activities in the country – particularly in politically sensitive border regions – by the SPDC.

Many NGOs found that they were unable to continue operating as before and have cancelled projects. Some that were also critical of the regime, such as the ILO, became subject to threats. And although it was the wish of the generals that USDA officials accompany personnel of the International Crescent Red Cross (ICRC) on their prison visit programs, the ICRC objected and has since cancelled such visits. It is unclear whether the ILO and the ICRC will remain in the country. The SPDC's decision to relocate all civil
servants to their remote new capital does not help the situation. In March 2006, the French section of Doctors Without Borders (Médecins Sans Frontières – MSF) ended its medical programs and withdrew from Burma, citing unacceptable conditions imposed by the authorities on how to provide relief to people living in war-affected areas. The SPDC had imposed so many travel restrictions on MSF, and applied such pressure on local health authorities not to cooperate with MSF teams, that it became impossible for MSF to work in an acceptable manner – i.e. without becoming nothing more than a technical service provider subject to the political priorities of the junta.30

These developments make Australia’s current position on Burma awkward at best, and possibly redundant. Australia withdrew aid to Burma in 1990 and criticized the regime for its human rights offences. Then in 1993, the Keating government decided to provide indirect humanitarian aid (administered by NGOs) and re-engage Burma on a step by step basis, not quite adopting the constructive engagement approach of ASEAN, but rejecting the sanctions rationale of the US and the EU as unproductive. Although the Howard government conducted a series of human rights workshops for mid-level Burmese government officials, Australia returned to the Keating approach of providing NGO administered aid following the re-arrest of Suu Kyi in 2003. It now faces a situation in which INGOs are either leaving Burma or considering their future prospects given the current restrictive climate.
6. Conclusion

It can be argued that Burma’s domestic politics causes cross-border problems and that these create regional instability for a number of reasons. Burma remains a major producer of illicit drugs – natural and synthetic – which make their way through the region and to markets beyond by way of China, Thailand and India. Accompanying this drug production is the rising addiction and related social consequences experienced both inside Burma and across its borders, as well as the pandemic spread of HIV/AIDS – the crackdown on the operations of INGOs working in this area does not help the situation. More recently there have been UN reports of multiple bird flu outbreaks across the country and local awareness of the problem is unlikely to improve significantly. Border area conflicts as well as forced relocations and destitution has created a steady flow of illegal immigrants or refugees into neighbouring countries. One would think that for these reasons alone, ASEAN should be concerned with Burma’s internal politics.

But international pressure on Burma since 1988 has added another dimension to the ASEAN–Burma relationship. One may reasonably ask why all the fuss over Burma, especially when ASEAN harbours Vietnam, Laos and Cambodia, and has included countries with military dictatorships and corrupt leaders before? Unfortunately for the Burmese generals, for a brief moment their country too was caught up in the wave of democratization of the late 1980s, and a popular figure emerged who also just happened to be the daughter of their former independence leader. With Aung San Suu Kyi on the political scene, coupled with the staging and overturning of free elections, and Suu Kyi’s awarding of the Nobel Peace prize, organized and influential pro-democracy movements outside the country flourished in the 1990s. Their actions have led to an increased international awareness on Burma which has caused headaches for ASEAN, particularly since 2003.

It can also be argued that joining ASEAN in 1997 may have been against Burma’s long-held tradition of foreign relations neutralism – in its various forms – since independence. As a member of ASEAN, Burma has discovered that it is part of an organization that responds to outside pressure – from the US, the EU, and the UN. This makes Burma feel uncomfortable and it has increasingly embarrassed ASEAN. Yet it could also be said that Burma was pressured into joining ASEAN, as well as forging a closer alliance with China – because of the sanctions imposed by the West. If this is the case, then it should not be surprising that the generals may have felt uncomfortable inside ASEAN because they must have perceived that the original terms of their membership agreement have changed. In addition, although Burma sought membership as a means to gain prestige and political legitimacy, access to markets, and foreign currency, it is doubtful that the junta ever intended to introduce substantial economic liberalization and adopt the free market reforms that may have, in theory, helped to bring some long term economic growth. More likely, the generals were in search of friends quickly and some ASEAN members were more than happy to gain access to Burma’s natural resources. But many foreign investors discovered over time that, aside from intense lobbying by democracy activists, the country’s rules and regulations, corruption, and lack of infrastructure severely limited their profit margins. As they withdrew and as Western pressure increased, the hidden attraction of “constructive engagement” for ASEAN became overshadowed by the awkward redefining of “enhanced interaction” towards Burma.

The general’s withdrawal into isolationism over the past year means that some form of economic autarchy may become more attractive to them in the future. In this climate, where the generals are far more concerned with maintaining their monopoly on political power than responding to economic pressures or incentives, the debate over sanctions or engagement has become increasingly irrelevant – especially if their ultimate objective was to bring about a change in the regime. That any shift in the balance of power between state and society is unlikely to occur soon is reflected in the SPDC’s attitude towards international agencies and NGOs. In its foreign relations, a return to isolationism
may mean returning to where the generals feel most comfortable – a policy of neutralism and the selective balancing of various country’s interests against their own.

Burma’s recalcitrance should inform ASEAN and the West that their positions have not brought about political change and that perhaps it is time to adjust their strategies, or at least the goals desired by their strategies. The generals have proved adept at adapting to external isolationist policies and indeed for much of their history have welcomed them. For the junta, economic liberalization was only a relatively new experiment that could be withdrawn if it threatened their political stability. Hence it has been hard for them to conceive of sanctions as being punitive measures designed to instigate political reform. Burma maintains alternative trade markets in China and India; it is seeking trade and investment opportunities with Russia; it maintains significant investments and trade with Singapore and Thailand; and it stands to benefit indirectly from the new ASEAN–China trade accord.

ASEAN’s engagement policy, on the other hand, seems to have deteriorated into a hazardous exercise of redefining the boundaries of “enhanced interaction” towards Burma. This appears to involve a game of occasionally criticizing the domestic policies of a member state (and hence, breaching the rule of non-interference) while appearing as if they are not criticizing the domestic policies of a member state. Because this game could easily backfire on other ASEAN members, their hesitancy is understandable, but pressure from outside forces has kept them pushing the concept nonetheless.

It seems inevitable that if ASEAN’s international credibility is again threatened by Burma’s actions, they will criticize Burma’s leaders, and perhaps it is more important for ASEAN to be seen criticizing them than doing nothing. That the generals may not wish to remain a member of an organization that heaps criticism on them and not other member states is understandable. Yet because of the numerous cross-border and regional security problems generated by Burma, it is becoming more important for ASEAN to keep the country inside the organization rather than outside. ASEAN may increasingly turn to the UN to take more responsibility for Burma’s “democratization”, and by doing so it may deflect some criticism from the West over its own lack of success. With China now “in” ASEAN+3, any meaningful political influence ASEAN can muster over Burma may in the future come through its relations with China.
Notes

5. See 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, vol. 27, no. 2 (2005), pp. 188–216.
6. Ibid., pp. 189–90.
13. See Jurgen Haacke, op. cit.
14. Ibid.
15. Ibid., p. 209.
17. Ibid.